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MR. WEBSTER'S

SECOND SPEECH

ON

THE SUB-TREASURY BILL

DELIVERED MARCH 12, 1838.

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SPEECH.

Mr. PRESIDENT: Having at an early stage of the debate expressed, in a general manner, my opposition to this bill, I must find an apology for again addressing the Senate, in the acknowledged importance of the measure, the novelty of its character, and the division of opinion respecting it which is known to exist in both Houses of Congress.

To be able, in this state of things, to give a preponderance to that side of the question which I embrace, is, perhaps, more than I ought to hope; but I do not feel that I have done all which my duty demands, until I make another effort.

The functions of this Government which, in time of peace, most materially affect the happiness of the People, are those which respect commerce and revenue. The bill before us touches both these great interests. It proposes to act directly on the revenue and expenditure of Government, and it is expected to act, also, indirectly, on commerce and currency; while its friends and supporters altogether abstain from other measures, deemed by a great portion of Congress and of the country to be indispensably demanded by the present exigency.

We have arrived, Mr. President, towards the close of a half century from the adoption of the Constitution. During the progress of these years, our population has increased from three or four millions to thirteen or fourteen millions; our commerce, from little or nothing, to an export of a hundred and ninety millions, and an import of a hundred and twenty-eight and a half millions, in the year 1836. Our mercantile tonnage approaches near to two millions. We have a revenue, and an expenditure, of thirty millions a year. The manufactures of the country have attained very great importance, and, up to the commencement of the derangement of the currency, were in a prosperous and growing state. The produce of the fisheries has become vast; and the general production of the labor and capital of the country is increasing far beyond all example in other countries, or other times, and has already reached an amount which, to those who have not investigated the subject, would seem incredible.

The commerce of the United States, sir, is spread over the globe. It pursues its objects in all seas, and finds its way into every port which the laws of trade do not shut against its approach. With all the disadvantages of more costly materials, and of higher wages, and often in despite of unequal and unfavorable commercial regulations of other States, the enterprise, vigor, and economy which distinguish our navigating interest, enable it to show our flag, in competition with the most favored and the most skilful, in the various quarters of the world. In the mean time, internal activity does not lag nor loiter. New and useful modes of intercourse and facilities of transportation are established, or are in progress, everywhere. Public works are projected and pushed forward in a spirit, which grasps at high and vast objects, with a bold defiance of all expense. The aggregate value of the property of the country is augmented daily. A constant demand for new capital exists, although a debt has already been contracted in Europe, for sums advanced to States, corporations and individuals, for purposes connected with internal improvement; which debt cannot now be less than a hundred millions of dollars. Spreading over a great extent, embracing different climates, and with vast variety of products, we find an intensely excited spirit of industry and enterprise to pervade the whole country; while its external commerce, as I have already said, sweeps over all seas. We are connected with all commercial countries, and, most of all, with that which has established and sustained the most stupendous system of commerce and manufactures, and which collects and disburses an incredible amount of annual revenue; and which uses, to this end, and as means of currency and circulation, a mixed money of metal and paper.

Such a mixed system, sir, has also prevailed with us, from the beginning. Gold and silver, and convertible bank paper, have always constituted our actual money. The People are used to this system. It has hitherto commanded their confidence, and fulfilled their expectations. We have had, in succession, two national banks; each for a period of twenty years. Local or State banks have, at the same time, been in operation; and no man of intelligence or candor can deny that, during these forty years, and with the operation of a national and these State institutions, the currency of the country, upon the whole, has been safe, cheap, convenient, and satisfactory. When the Government was established, it found convertible bank paper, issued by State banks, already in circulation; and with this circulation it did not interfere. The United States, indeed, had themselves established a bank, under the old Confederation, with authority to issue paper. A system of mixed circulation, therefore, was exactly that system which this Constitution, at its adoption, found already in existence. There is not the slighest evidence of any intention, in establishing the Constitution, to overthrow or abolish this system, although it certainly was the object of the Constitution to abolish bills of credit, and all paper intended for circulation, issued upon the faith of the States alone. Inasmuch as whatever then existed, of the nature of money or currency, rested on State legislation; and as it was not possible that uniformity, general credit, and general confidence could result from local and separate acts of the

States, there is evidence—I think abundant evidence—that it was the intention of the framers of the Constitution to give to Congress a controlling power over the whole subject, to the end that there should be, for the whole country, a currency of uniform value. Congress has heretofore exercised this authority, and fulfilled the corresponding duties. It has maintained, for forty years out of forty-nine, a national institution, proceeding from its power, and responsible to the General Government. With intervals of derangement, brought about by war and other occurrences, this whole system, taken altogether, has been greatly successful in its actual operation. We have found occasion to create no difference between Government and People—between money for revenue, and money for the general use of the country. Until the commencement of the last session, Government had manifested no disposition to look out for itself exclusively. What was good enough for the People, was good enough for Government. No condescending and gracious preference had, before that period, ever been tendered to members of Congress, over other persons having claims upon the public funds. Such a singular spectacle had never been exhibited, as an amicable, disinterested, and patriotic understanding, between those who are to vote taxes on the People, for the purpose of replenishing the Treasury, and those who, from the Treasury, dispense the money back again among these who have claims on it. In that respect I think the Secretary stands alone. He is the first, so far as I know, in our long list of able heads of Departments, who has thought it a delicate and skilful touch, in financial administration, to be particularly kind and complaisant to the interest of the law-makers,—those who hold the tax-laying power; the first whose great deference and cordial regard for members of Congress have led him to provide for them, as the medium of payment and receipt, something more valuable than is provided, at the same time, for the army, the navy, the judges, the Revolutionary pensioners, and the various classes of laborers in the pay of Government.

Through our whole history, sir, we have found a convertible paper currency, under proper control, highly useful, by its pliability to circumstances, and by its capacity of enlargement, in a reasonable degree, to meet the demands of a new and enterprising community. As I have already said, sir, we owe a permanent debt of a hundred millions abroad; and in the present abundance of money in England, and the state of demand here, this amount will probably be increased. But it must be evident to every one, that, so long as, by a safe use of paper, we give some reasonable expansion to our own circulation, or at least do not unreasonably contract it, we do, to that extent, create or maintain an ability for loans among ourselves, and so far diminish the amount of annual interest paid abroad.

But let me now, Mr. President, ask the attention of the Senate to another subject, upon which, indeed, much has already been said: I mean that which is usually called the CREDIT SYSTEM.

Sir, what is that system? Why is *credit* a word of so much solid importance, and of so powerful charm, in the United States? Why is it that a shock has been felt through all classes and all interests, the first moment that this credit has been disturbed? Does its importance belong, equally, to all commercial States? Or are there peculiarities in our condition, our habits, and modes of business, which make credit more indispensable, and mingle it more naturally, more intimately, with the life-blood of our system?

A full and philosophical answer to these inquiries, Mr. President, would demand that I should set forth both the ground-work and the structure of our social system. It would show that the wealth and prosperity of the country have as broad a foundation as its popular constitutions. Undoubtedly there are peculiarities in that system, resulting from the nature of our political institutions, from our elementary laws, and from the general character of the People. These peculiarities most unquestionably give to credit, or to those means and those arrangements, by whatever names we call them, which are calculated to keep the whole, or by far the greater part, of the capital of the country in a state of constant activity, a degree of importance far exceeding what is experienced elsewhere.

In the old countries of Europe there is a clear and well-defined line, between capital and labor: a line which strikes through society with a horizontal sweep, leaving on one side wealth, in masses, holden by few hands, and those having little participation in the laborious pursuits of life; on the other, the thronging multitudes of labor, with here and there, only, an instance of such accumulation of earnings as to deserve the name of capital. This distinction, indeed, is not universal and absolute in any of the commercial States of Europe, and it grows less and less definite as commerce advances; the effect of commerce and manufactures, as all history shows, being, everywhere, to diffuse wealth, and not to aid its accumulation in few hands. But still the line is greatly more broad, marked, and visible in European nations, than in the United States. In those nations, the gains of capital, and wages, or the earnings of labor, are not only distinct in idea, as elements of the science of political economy, but, to a great degree, also, distinct in fact; and their respective claims, and merits, and modes of relative adjustment, become subjects of discussion and of public regulation. Now, sir, every body may see that that is a state of things which does not exist with us. We have no such visible and broad distinction between capital and labor; and much of the general happiness of all classes results from this. With us, labor is every day augmenting its means by its own industry; not in all cases, indeed, but in very many. Its savings of yesterday become its capital, therefore, of to-day. On the other hand, vastly the greater portion of the property of the country exists in such small quantities that its holders cannot dispense altogether with their own personal industry; or if, in some instances, capital be accumulated till it rises to what may be called affluence, it is usually disintegrated and broken into particles again, in one or two generations. The abolition of the

rights of primogeniture; the descent of property of every sort to females as well as males; the cheap and easy means by which property is transferred and conveyed; the high price of labor; the low price of land; the genius of our political institutions; in fine, every thing belonging to us, counteracts large accumulation. This is our actual system. Our politics, our Constitutions, our elementary laws, our habits, all centre in this point, or tend to this result. From where I now stand, to the extremity of the northeast, vastly the greatest part of the property of the country is in the hands and ownership of those whose personal industry is employed in some form of productive labor. General competence, general education, enterprise, activity, and industry, such as never before pervaded any society, are the characteristics which distinguish the People who live, and move, and act in this state of things, such as I have described it.

Now, sir, if this view be true, as I think it is, all must perceive that in the United States, capital cannot say to labor and industry, "Stand ye yonder, while I come up hither;" but labor and industry lay hold on capital, break it into parcels, use it, diffuse it widely, and, instead of leaving it to repose in its own inertness, compel it to act at once as their own stimulus and their own instrument.

But, sir, this is not all. There is another view still more immediately affecting the operation and use of credit. In every wealthy community, however equally property may be divided, there will always be some property-holders who live on its income. If this property be land, they live on rent; if it be money, they live on its interest. The amount of real estate held in this country on lease, is comparatively very small, except in the cities. But there are individuals and families, trustees and guardians, and various literary and charitable institutions, who have occasion to invest funds for the purpose of annual moneyed income. Where do they invest? where can they invest? The answer to these questions shows at once a mighty difference between the state of things here, and that in England. Here, these investments, to produce a moneyed income, are made in banks, insurance companies, canal and railroad corporations, and other similar institutions. Placed thus immediately in active hands, this capital, it is evident, becomes at once the basis of business; it gives occupation, pays labor, excites enterprise, and performs, in short, all the functions of employed money. But, in England, investments for such purposes usually take another direction. There is, in England, a vast amount of public stocks, as eight or nine hundred millions sterling of public debt actually exists, constituting, to the amount of its annual interest, a charge on the active capital and industry of the country. In the hands of individuals, portions of this debt are capital; that is, they produce income to the proprietors, and income without labor; while, in a national point of view, it is mere debt. What was obtained for it, or that on account of which it was contracted, has been spent in the long and arduous wars, which the country has sustained, from the time of King William the Third, to our own days. There are thousands of individuals, therefore, whose fixed income arises, not from the active use of property, either in their own hands, or the hands of others, but from the interest on that part of this national charge to which they are entitled. If, therefore, we use the term *capital* not in the sense of political economy exactly, but as implying whatever returns income to individuals, we find an almost incalculable mass so circumstanced as not to be the basis of active operations.

To illustrate this idea further, sir, let us suppose that, by some occurrence, (such as is certainly never to be expected,) this debt should be paid off; suppose its holders were to receive, to-morrow, their full amounts; what would they do with them? Why, sir, if they were obliged to loan the one-quarter part into the hands of the industrious classes, for the purposes of employment in active business; and if this operation could be accompanied by the same intelligence and industry among the people which prevail with us, the result would do more toward raising the character of the laboring classes, than all reforms in Parliament, and other general political operations. It would be as if this debt had never been contracted; as if the money had never been spent, and now remained part of the active capital of the country, employed in the business of life. But this debt, sir, has created an enormous amount of private property, upon the income of which its owners live, which does not require their own active labor or that of others. We have no such debt; we have no such mode of investment; and this circumstance gives quite a different aspect and a different reality to our condition.

Now, Mr. President, what I understand by the credit system is, that which thus connects labor and capital, by giving to labor the use of capital. In other words, intelligence, good character, and good morals bestow on those who have not capital, a power, a trust, a confidence, which enables them to obtain it, and to employ it usefully for themselves and others. These active men of business build their hopes of success on their attentiveness, their economy, and their integrity. A wider theatre for useful activity is under their feet, and around them, than was ever spread before the eyes of the young and enterprising generations of men, on any other spot enlightened by the sun. Before them is the ocean. Every thing in that direction invites them to efforts of enterprise and industry in the pursuits of commerce and the fisheries. Around them, on all hands, are thriving and prosperous manufactures; an improving agriculture, and the daily presentation of new objects of internal improvement: while behind them is almost half a continent of the richest land, at the cheapest prices, under healthful climates, and washed by the most magnificent rivers that on any part of the globe pay their homage to the sea. In the midst of all these glowing and glorious prospects, they are neither restrained by ignorance, nor smitten down by the penury of personal circumstances. They are not compelled to contemplate, in hopelessness and despair, all the advantages thus bestowed on their condition by Providence. Capital though they may have little or none, CREDIT supplies its place; not as the refuge of

the prodigal and the reckless; not as gratifying present wants with the certainty of future absolute ruin; but as the genius of honorable trust and confidence; as the blessing, voluntarily offered to good character and to good conduct; as the beneficent agent, which assists honesty and enterprise in obtaining comfort and independence.

Mr. President, take away this credit, and what remains? I do not ask what remains to the few, but to the many? Take away this system of credit, and then tell me what is left for labor and industry, but mere manual toil and daily drudgery? If we adopt a system that withdraws capital from active employment, do we not diminish the rate of wages? If we curtail the general business of society, does not every laboring man find his condition grow daily worse? In the politics of the day, sir, we hear much said about divorces; and when we abolish credit, we shall divorce labor from capital; and, depend on it, sir, when we divorce labor from capital, capital is hoarded, and labor starves. The declaration so often quoted, that "all who trade on borrowed capital ought to break," is the most aristocratic sentiment ever uttered in this country. It is a sentiment which, if carried out by political arrangement, would condemn the great majority of mankind to the perpetual condition of mere day-laborers. It goes to take away from them all that solace and hope which arises from possessing something which they can call their own. A man loves his own: it is fit and natural that he should do so; and he will love his country and its institutions, if he have some stake in it, although it be but a very small part of the general mass of property. If it be but a cottage, an acre, a garden, its possession raises him, gives him self-respect, and strengthens his attachment to his country. It is our happy condition, by the blessings of Providence, that almost every man of sound health, industrious habits, and good morals, can ordinarily attain, at least, to this degree of comfort and respectability; and it is a result devoutly to be wished, both for its individual and its general consequences.

But even to this degree of acquisition, that credit, of which I have already said so much, (as its general effect is to raise the price of wages, and render industry productive,) is highly important. There is no condition so low, if it be attended with industry and economy, which this credit does not benefit, as any one will find, if he will examine and follow out its operations.

Such, Mr. President, being the credit system in the United States, as I understand it, I now add that the banks have been the agents and their circulation the instrument, by which the general operations of this credit have been conducted. Much of the capital of the country, placed at interest, is vested in bank stock, and those who borrow, borrow at the banks: and discounts of bills, and anticipations of payments in all its forms, the regular and appropriate duty of banks, prevail universally.

In the North, the banks have enabled the manufacturers of all classes to realize the proceeds of their industry at an early moment. The course has been, that the producers of commodities for Southern consumption, having despatched their products, draw their bills. These bills are discounted at the banks, and with the proceeds other raw material is bought, and other labor paid; and thus the general business is continued in progress. All this is well known to those who have had opportunity to be acquainted with such concerns.

But bank credit has not been more necessary to the North than to the South. Indeed, nowhere has interest been higher, or the demand for capital greater, or the full benefit of credit more indispensable, than in the new cotton and sugar-growing States. I ask gentlemen from those States if this be not so? Have not the plantations been bought, and the necessary labor procured, to a great extent, on credit? Has not this credit been obtained at the banks? Even now do they not find credits, or advances on their crops, important in enabling them to get those crops to market? And if there had been no credit—if a hard-money system had prevailed, let me ask them what would have been, at this moment, the condition of things in Alabama, Louisiana, Mississippi, and Arkansas? These States, sir, with Tennessee and the South Atlantic States, constitute the great plantation interest. That there has been a vast demand for capital to be invested in this interest is sufficiently proved by the high price paid for the use of money.

In my opinion, sir, credit is as essential to the great export of the South, as to any other interest. The agriculture of the cotton and sugar-producing States partakes, in no inconsiderable degree, of the nature of commerce. The product and sale of one great staple only, is an operation essentially different from ordinary farming pursuits. The exports of the South, indeed, may be considered as the aggregate result of various forms and modes of industry, carried on by various hands, and in various places, rather than as the mere product of the plantation. That product itself is local; but its indispensable aids and means are drawn from every part of the Union. What is it, sir, that enables Southern labor to apply itself so exclusively to the cultivation of these great articles for export? Certainly, it is so applied, because its own necessities for provision and clothing are supplied, meanwhile, from other quarters. The South raises to sell, and not to consume; and with the proceeds of the sales it supplies itself with whatever its own consumption demands. There are exceptions; but this is the general truth. The hat-makers, shoe-makers, furniture-makers, and carriage-makers of the North, the spinners at Lowell, and the weavers at Philadelphia, are all contributors to the general product both of cotton and sugar, for export abroad; as are the live-stock raisers of Kentucky, the grain-growing farmers, and all who produce and vend provisions, in Indiana, Ohio and Illinois. The Northern ship-owner and the mariner, who carry these products to market, are agents acting to the same end; and so are they too who, little thinking of cotton-fields, or sugar estates, are pursuing their adventurous employment in the whale fisheries, over the whole surface, and among all the islands, of the Pacific and the Indian oceans. If we take the annual cotton crop

at sixty millions of dollars, we may, perhaps, find that the amount of forty-five millions is expended, either for interest on capital advanced, or for the expense of clothing and supporting labor, or in the charges which belong to the household, the education of families, and to the domestic expenditure of the proprietor.

Thus, sir, all the laborious classes are, in truth, cotton-growers and sugar-makers. Each in its own way, and to the extent of its own productiveness, contributes to swell the magnitude of that enormous export, which was nothing at the commencement of this Government, and which now has run up to so many millions. Through all these operations the stream of credit has constantly flowed, and there is not one of them that will not be checked and interrupted, embarrassed, and thwarted, if this stream be now dried up. This connexion of the various interests of the country with one another forms an important and interesting topic. It is one of the natural ties of the Union. The variety of production, and mutual wants mutually supplied, constitute a strong bond between different States; and long may that bond last, growing with their growth, and strengthening with their strength.

But, Mr. President, that portion of our productions which takes the form of export, becomes distinct and visible; it is prominent and striking, and is seen and wondered at, by everybody. The annual returns all show it, and every day's commercial intelligence speaks of it. We gaze at it with admiration, and the world is no less admiring than ourselves.

With other branches of industry the case is quite different. The products of these branches, being put in the train of domestic exchanges, and consumed in the country, do not get into statistical tables, are not collected in masses, and are seldom presented, in the aggregate, to the public view. They are not of the character of a few large and mighty rivers, but of a thousand little streams, meandering through all the fields of business and of life, and refreshing and fertilizing the whole.

Few of us, Mr. President, are aware of what would be the amount of the general production of the country, if it could be accurately ascertained. The Legislature of Massachusetts, under the recommendation of the intelligent Chief Magistrate of that State, has caused to be prepared and published a report on the condition and products of certain branches of its industry, for the year ending in April, 1837. The returns of the authorities of each city and town were made, apparently, with much care; and the whole has been collated by the Secretary of State, and the result distinctly presented in well-arranged statistical tables. From a summary of the statements in these tables, I will take the liberty of selecting a few articles, and of adverting to them here, as instances, or specimens, of the annual product of labor and industry in that State.

And to begin with a very necessary and important article. I find, that of boots and shoes, the value of the whole amount manufactured within the year exceeds fourteen millions and a half of dollars. If the amount of other articles of the same class, or material, be added, viz. leather, saddles, trunks, harness, &c., the total will be not far from eighteen millions and a half of dollars.

I will read the names of some other articles, and state the amount of annual product belonging to each:

Cotton fabrics	$17,409,000
Woollen fabrics	10,399,000
Fisheries	7,592,000
Books and stationery, and paper	2,592,000
Soap and candles	1,620,000
Nails, brads, and tacks	2,500,000
Machinery of various kinds	1,235,000
Agricultural implements	645,000
Glass	831,000
Hats	700,000
Clothing, neckcloths, &c.	2,013,000
Wool	539,000

These, sir, are samples. The grand total is ninety-one million seven hundred thousand dollars. From this, however, deductions are to be made for the cost of the raw material when imported, and for certain articles enumerated under different heads. But, then, the whole statement is confined to some branches of industry only; and to present an entire and comprehensive view, there should be added the gains of commerce within the year, the earnings of navigation, and almost the whole agricultural product of the State.

The result of all, if it could be collated and exhibited together, would show that the annual product of Massachusetts capital and Massachusetts industry exceeds one hundred millions of dollars. Now, sir, Massachusetts is a small State, in extent of territory. You may mark out her dimensions seven or eight times on the map of Virginia. Yet her population is seven hundred thousand souls; and the annual result of their laborious industry, economy, and labor, is as I have stated.

Mr. President, in looking over this result, it is most gratifying to find, that its great mass consists in articles equally essential and useful to all classes. They are not luxuries, but necessaries and comforts. They belong to food and clothing, to household conveniencies, and education. As they are more and more multiplied, the great majority of society becomes more elevated, better instructed, and happier in all respects. I have looked through this whole list, sir, to find

what there is in it that might be fairly classed among the higher luxuries of life; and what do I find? In the whole hundred millions, I find but one such item; and that is an item of two or three hundred thousand dollars for "jewelry, silver, and silver plate." This is all that belongs to luxury, in her annual product, of a hundred millions; and of this, no doubt, the far greater portion was sent abroad. And yet we hear daily, sir, of the amassing of aristocratic wealth, by the progress of manufactures, and the operations of the credit system! Aristocracy, it is said, is stealing upon us, and, in the form of aggregate wealth, is watching to seize political power from the hands of the People! We have been more than once gravely admonished that, in order to improve the times, and restore a metallic currency for the benefit of the poor, the rich ought to melt down their plate! Whatever such a melting process might find to act upon elsewhere, Mr. President, I assure you that in Massachusetts it would discover little. A few spoons, candlesticks, and other similar articles, some old family pitchers and tankards, and the silver porringers of our nurseries, would be about the whole.

Sir, if there be any aristocrats in Massachusetts, the People are all aristocrats; because I do not believe there is on earth, in a highly civilized society, a greater equality in the condition of men, than exists there. If there be a man in the State who maintains what is called an equipage, or drives four horses in his coach, I am not acquainted with him. On the other hand, there are few who are not able to carry their wives and daughters to church in some decent conveyance. It is no matter of regret or sorrow to us that few are very rich; but it is our pride and glory that few are very poor. It is our still higher pride, and our just boast, as I think, that all her citizens possess means of intelligence and education; and that, of all her productions, she reckons, among the very chiefest, those which spring from the culture of the mind and the heart.

Mr. President, one of the most striking characteristics of this age is the extraordinary progress which it has witnessed in popular knowledge. A new and powerful impulse has been acting in the social system of late, producing this effect in a striking degree.

In morals, in politics, in art, in literature, there is a vast accession to the number of readers, and to the number of proficients. The present state of popular knowledge is not the result of a slow and uniform progress, proceeding through a lapse of years, with the same regular degree of motion. It is evidently the result of some new causes, brought into powerful action, and producing their consequences rapidly and strikingly. What, sir, are these causes?

This is not an occasion, sir, for discussing such a question at length: allow me to say, however, that the improved state of popular knowledge is but the necessary result of the improved condition of the great mass of the People. Knowledge is not one of our merely physical wants. Life may be sustained without it. But, in order to live, men must be fed, and clothed, and sheltered; and in a state of things in which one's whole labor can do no more than procure clothes, food, and shelter, he can have no time nor means for mental improvement. Knowledge, therefore, is not attained, and cannot be attained, till there is some degree of respite from daily manual toil, and never ending drudgery. But whenever a less degree of labor will produce the absolute necessaries of life, then there come leisure and means, both to teach and to learn.

But if this great and wonderful extension of popular knowledge be the result of an improved condition, it may, in the next place, well be asked, what are the causes which have thus suddenly produced that great improvement? How is it that the means of food, clothing, and shelter, are now so much more cheaply and abundantly procured than formerly? Sir, the main cause I take to be the progress of scientific art, or a new extent of the application of science to art. This it is, which has so much distinguished the last half century in Europe and in America; and its effects are everywhere visible, and especially among us. Man has found new allies and auxiliaries in the powers of Nature, and in the inventions of mechanism.

The general doctrine of political economy is, that wealth consists in whatever is useful or convenient to man, and that labor is the producing cause of all this wealth. This is very true. But, then, what is labor? In the sense of political writers, and in common language, it means human industry; but, in a philosophical view, it may receive a much more comprehensive meaning. It is not, in that view, human toil only—the mere action of thews and muscles; but it is any active agency which, working upon the materials with which the world is supplied, brings forth products useful or convenient to man. The materials of wealth are in the earth, in the seas, and in their natural and unaided productions. Labor obtains them, works upon them, and fashions them to human use. Now, it has been the object of scientific art, or of the application of science to art, to increase this active agency, to augment its power, by creating millions of laborers in the form of automatic machines, all to be diligently employed, and kept at work by the force of natural powers. To this end these natural powers, principally those of steam and falling water, are subsidized and taken into human employment. Spinning machines, power-looms, and all the mechanical devices, acting, among other operatives, in the factories and workshops, are but so many laborers. They are usually denominated labor-*saving* machines, but it would be more just to call them labor-*doing* machines. They are made to be active agents; to have motion, and to produce effect; and though without intelligence, they are guided by those laws of science, which are exact and perfect, and they produce results, therefore, in general, more accurate than the human hand is capable of producing. When we look upon one of these, we behold a mute fellow-laborer, of immense power, of mathematical exactness, and of ever-during and unwearied effort. And while he is thus a most skilful and productive laborer, he is a non-consumer—at the least, beyond wants of his mechanical being. He is not clamorous for food, raiment, or shelter, and makes no demands for the expenses of education.

The eating and drinking, the reading and writing and clothes-wearing world, are benefited by the labors of these co-operatives, in the same way as if Providence had provided for their service millions of beings, like ourselves in external appearance, able to labor and to toil, and yet requiring little or nothing for their own consumption or subsistence; or rather, as if Providence had created a race of giants, each of whom, demanding no more for his support and consumption than a common laborer, should yet be able to perform the work of a hundred.

Now, sir, turn back to the Massachusetts tables of production, and you will see that it is these automatic allies and co-operators, and these powers of Nature, thus employed and placed under human direction, which have come, with such prodigious effect, to man's aid, in the great business of procuring the means of living, of comfort, and of wealth, and which have so swollen the products of her skilful industry. Look at these tables once more, sir, and you will see the effects of labor, united with and acting upon capital. Look yet again, and you will see that credit, mutual trust, prompt and punctual dealings, and commercial confidence, are all mixed up as indispensable elements in the general system. I will ask you to look yet once more, sir, and you will perceive that general competence, great equality in human condition, a degree of popular knowledge and intelligence, nowhere surpassed, if anywhere equalled, and the prevalence of good moral sentiment, and extraordinary general prosperity, is the result of the whole. Sir, I have done with Massachusetts. I do not praise the old "Bay State" of the Revolution; I only present her as she is.

Mr. President, such is the state of things actually existing in the country, and of which I have now given you a sample. And yet there are persons who constantly clamor against this state of things. They call it aristocracy. They beseech the poor to make war upon the rich, while, in truth, they know not who are either rich or poor. They complain of oppression, speculation, and the pernicious influence of accumulated wealth. They cry out loudly against all banks and corporations, and all the means by which small capitals become united, in order to produce important and beneficial results. They carry on a mad hostility against all established institutions. They would choke up the fountains of industry, and dry all its streams. In a country of unbounded liberty, they clamor against oppression. In a country of perfect equality, they would move heaven and earth against privilege and monopoly. In a country where property is more equally divided than anywhere else, they rend the air with the shouting of agrarian doctrines. In a country where the wages of labor are high beyond all parallel, and where lands are cheap, and the means of living low, they would teach the laborer that he is but an oppressed slave. Sir, what can such men want? What do they mean? They can want nothing, sir, but to enjoy the fruits of other men's labor. They can mean nothing, but disturbance and disorder: the diffusion of corrupt principles, and the destruction of the moral sentiments and moral habits of society. A licentiousness of feeling and of action is sometimes produced by prosperity itself. Men cannot always resist the temptation to which they are exposed by the very abundance of the bounties of Providence and the very happiness of their own condition; as the steed, full of the pasture, will, sometimes, throw himself against its enclosures, break away from its confinement, and, feeling now free from needless restraint, betake himself to the moors and barrens, where want, ere long, brings him to his senses, and starvation and death close his career.

Having said so much, sir, on the general condition of the country, and explained what I understand by credit, I proceed to consider the present actual state of the currency.

The most recent Treasury estimate, which I have seen, supposes that there are eighty millions of metallic money now in the country. This I believe, however, to be a good deal too high; I cannot believe it exceeds sixty, at most; and supposing one-half this sum to be in the banks, thirty millions are in circulation, or in private hands. We have seven hundred banks and branches, with capitals assigned for the security of their notes and bills, amounting to two hundred and eighty millions. The amount of bank notes in actual circulation is supposed to be one hundred millions; so that our whole circulation is about one hundred and thirty millions. The amount of debts due to the banks, or the amount of their loans and discounts, may be taken at four hundred and fifty millions.

Now, sir, this very short statement exhibits at once a general outline of our existing system of currency and credit. We see a great amount of money or property in banks, as their assigned and appropriate capital, and we see a great amount due to these banks. These bank debtors generally belong to the classes of active business, or are such as have taken up credits for purposes of investment in lands or merchandise, looking to future proceeds as the means of repayment. If we compare this state of circulation, of bank capital and bank debt, with the same things in England, important differences will not fail to strike us.

The whole paper circulation of England, by the latest accounts, is twenty-eight millions sterling—made up of eighteen millions of Bank of England notes, and ten millions of the notes of private bankers and joint-stock companies; bullion in the bank, nine and a half millions; debts due the Bank of England, twenty-two and a half millions. The amount of loans and discounts by private bankers and joint-stock companies is not usually stated, I believe, in the public accounts. If it bear the same proportion to their notes in circulation, as in the case of the Bank of England, it would exceed twelve millions. We may, therefore, take the amount of bank debts in England to be thirty-five millions. But I suppose that, of the securities held by the Bank of England, exchequer notes constitute a large part; in other words, that a large part of the bank debt is due by the Government. The amount of coin in actual circulation is estimated to be thirty and a half millions. The whole amount of circulation in England,

metallic and paper, is usually stated, in round numbers, at sixty millions; which, rating the pound sterling at $4 80, is equal to two hundred and eighty-eight millions of dollars.

It will be seen, sir, that our paper circulation is one-half less than that of England, but our bank debt is, nevertheless, much greater; since thirty-five millions sterling amount to only one hundred and sixty-eight millions of dollars; and this sum, too, includes the amount of exchequer bills, or Government debt in the form of such bills, which the bank holds. These facts are very material to any just comparison of the state of things, in the two countries. The whole, or nearly the whole capital of the Bank of England, is lent to Government, not by means of exchequer notes, but on a permanent loan. And as to the private banks and joint-stock companies, though they issue bills for circulation, they have no assigned or appropriated capital whatever. The bills circulate on the private credit of the individual banker, or of those who compose the joint-stock companies. In the United States, an amount of capital, supposed to be sufficient to sustain the credit of the paper and secure the public against loss, is provided by law, in the act of incorporation for each bank, and is assigned as a trust-fund for the payment of the liabilities of the bank. And if this capital be fairly and substantially advanced, it is a proper security; and in most cases no doubt it is substantially advanced. The directors are trustees of this fund, and they are liable, both civilly and criminally, for mismanagement, embezzlement, or breach of trust.

This amount of capital, thus secured, is the basis of loans and discounts; and this is the reason why permanent, or at least long, loans are not considered so inappropriate to banking operations, with us, as they are in England. With us, it is evident that the directors are agents, holding a fund intended to be loaned, and acting between lender and borrower; and this form of loan has been found exceedingly convenient and useful in the country.

In some States, it is greatly preferred to mortgages, though there are others in which mortgages are usual. Whether exactly conformable to the true notion of banking, or not, the truth is, that the object and operation of our banks is to loan money; and this is mostly on personal security. The system, no doubt, is liable to abuse, in particular instances. There may be directors who will loan too freely to themselves and their friends. Gross cases of this kind have recently been detected and exposed, and, I hope, will be suitably treated; but, considering the great number of banks, these instances, I think, are remarkably few. In general, the banks have been well conducted, and are believed to be solvent and safe.

We have heard much, sir, in the course of this debate, of excess in the issue of bank notes for circulation. I have no doubt, sir, that there was a very improper expansion some years ago. When President Jackson, in 1832, had negatived the bill for continuing the Bank of the United States, (which act I esteem as the true original source of all the disorders of the currency,) a vast addition was immediately made to the number of State banks. In 1833, the public deposites were actually removed from the Bank of the United States, and placed in selected State banks. And, for the purpose of showing how much better the Public would be accommodated without, than with, a Bank of the United States, these banks were not only encouraged, but admonished, to be free and liberal in loans and discounts, made on the strength of the public moneys, to merchants and other individuals. The circular letter from the Treasury Department, addressed to the new deposite banks, under date of September 26, 1833, has this significant clause, which could not have been misunderstood:

"The deposites of public money will enable you to afford increased facilities to commerce, and to extend your accommodation to individuals; and as the duties which are payable to the Government arise from the business and enterprise of the merchants engaged in foreign trade, it is but reasonable that they should be preferred in the additional accommodation which the public deposites will enable your institution to give, whenever it can be done without injustice to the claims of other classes of the community."

Having read this letter, sir, I ask leave to refer the Senate to the 20th section of the bill now before us. There we find that, "if any officer, charged with the safe-keeping of the public money, shall loan the same, or any portion thereof, with or without interest, such act shall be deemed an embezzlement and a high misdemeanor, and the party convicted thereof shall be sentenced to imprisonment." Sir, what a pretty piece of consistency is here! In 1833 the depositories of the public money were not even left to their own desire for gain, or their wishes to accommodate others, as being sufficient incentives to lend it out: they were admonished and directed to afford increased facilities to commerce, and to extend their accommodation to individuals, since the public moneys in their vaults would enable them to give such additional accommodation! Now, sir, under this bill, any officer who shall do any one of the same things, instead of being praised, is to be punished: he is to be adjudged guilty of embezzlement, and of a high misdemeanor, and is to be confined, for aught I know, in cells as dark and dismal as the vaults and safes which are to contain our metallic currency. But, although I think, sir, that the acts of Government created this expansion, yet I am certainly of opinion that there was a very undue expansion created. A contraction, however, had begun; and I am of opinion, that had it not been for the specie order of July, 1836, and for the manner in which the deposite law was executed, the banks would have gone through the crisis without suspension. This is my full and firm belief. I cannot, however, discuss these points here. They were treated with very great ability, last year, by a gentleman who then occupied one of the seats of Georgia on this floor. Whomsoever he did not satisfy, I cannot convince. Still, sir, the question is, whether there was an excess in the general amount of our circulation, in May last, or whether there be now such excess.

By what standard is this to be judged? If the question be, whether there be too much paper

in circulation, it may be answered by reference to the amount of coin in the banks from which the paper issues; because I am unquestionably of opinion—an opinion which I believe nothing can ever shake—that the true criterion by which to decide the question of excess, in a convertible paper currency, is the amount of that paper, compared with the gold and silver in the banks. Such excess would not be proved, absolutely and certainly, in every case, by the mere fact of the suspension of specie payments; because such an event might be produced by panic, or other sudden cause, having power to disturb the best regulated system of paper circulation. But the immediate question now is, whether, taking the whole circulation together, both metallic and paper, there was an excess existing in May, or is an excess now existing? Is one hundred and thirty millions an excessive or undue amount of circulation for the United States? Seeing that one part of this circulation is coin, and the other part paper, resting upon coin, and intended to be convertible, is the whole mass more than may be fairly judged necessary to represent the property, the transactions, and the business of the country? Or, in order to sustain such an amount of circulation, and to keep that part of it which is composed of paper in a safe state, should we be obliged to attempt to draw to ourselves more than our just proportion of that metallic money, which is in the use of all the commercial nations? These questions appear to me to be but different modes of stating the same inquiry.

Upon this subject we may, perhaps, form some general idea, by comparing ourselves with others. Various things, no doubt, exist, in different places and countries, to modify, either by enlarging or diminishing, the demand for money or currency in the transactions of business; still the amount of trade and commerce may furnish a general element of comparison between different States or nations. The aggregate of American imports and exports in 1836 was three hundred and eighteen millions; that of England, reckoning the pound sterling at $4 80, again, was four hundred and eighty millions, as near as I can ascertain; the currency of England being, as already stated, sixty millions sterling, or two hundred and eighty-eight millions of dollars. If we work out a result from these proportions, the currency of the United States, it will be found, should be one hundred and ninety millions, in order to be equal to that of England; but, according to the estimates of the Treasury, it did not, even in that year, exceed one hundred and eighty millions.

Our population is about equal to that of England and Wales. The amount of our mercantile tonnage, perhaps, one-fifth less. But then we are to consider that our country is vastly wider; and our facilities of internal exchange, by means of bills of exchange, greatly less. Indeed, there are branches of our intercourse, in which remittances cannot be well made, except in currency. Take one example: The agricultural products of Kentucky are sold to the South; her purchases of commodities made at the North. There can be, therefore, very little of direct exchange between her and the places of purchase and sale. The trade goes round in a circle. Therefore, while the Bank of the United States existed, payments were made to a vast amount in the North and East by citizens of Kentucky, and of the States similarly situated, not in bills of exchange, but in the notes of the Bank.

These considerations augment the demand for currency. More than all, the country is new, sir; almost the entire amount of our capital active; and the whole amount of property, in the aggregate, rapidly increasing. In the last three years thirty-seven millions of acres of land have been separated from the wilderness, purchased, paid for, and become subject to private individual ownership, to transfer and sale, and all other dispositions to which other real estate is subject. It has thus become property, to be bought and sold for money; whereas, while in the hands of Government, it called for no expenditure, formed the basis of no transactions, and created no demand for currency. Within that short period our people have bought from Government a territory as large as the whole of England and Wales, and, taken together, far more fertile by Nature. This seems incredible, yet the returns show it. Suppose all this to have been bought at the minimum price of a dollar and a quarter per acre; and suppose the value to be increased in the common ratio in which we know the value of land is increased, by such purchase, and by the preliminary steps and beginnings of cultivation; an immense augmentation, it will readily be perceived, is made, even in so short a time, of the aggregate of property, in nominal price, and, to a great extent, in real value also.

On the whole, sir, I confess I know no standard by which I can decide that our circulation is at present in excess. I do not believe it is so. Nor was there, as I think, any depreciation in the value of money, up to the moment of the suspension of specie payments by the banks, comparing our currency with the currency of other nations. An American paper dollar would buy a silver dollar in England, deducting only the charge of transporting a dollar across the ocean, because it commanded a silver dollar here. There may be excess, however, I admit, where there is no present depreciation, in the sense in which I now use the term.

It is hardly necessary to dwell, Mr. President, on the evils of a suddenly depreciated circulation. It arrests business, puts an end to it, and overwhelms all debtors, by depression and downfall of prices. And even if we reduce circulation—not suddenly, but still reduce it farther than is necessary to keep it within just and reasonable limits—we produce many mischiefs; we augment the necessity of foreign loans; we contract business, discourage enterprise, slacken the activity of capital, and restrain the commercial spirit of the country. It is very important to be remembered, sir, that, in our intercourse with other nations, we are acting on a principle of equality; that is to say, we do not protect our own shipping interest by peculiar privileges; we ask a clear field, and seek no favor. Yet, the materials for ship-building are high with us, and the wages of ship-builders and seamen are high also. We have to contend against these unfa-

vorable circumstances; and if, in addition to these, we are to suffer further by unnecessary restraints on currency, and by a cramped credit, who can tell what may be the effect? Money is abundant in England, very abundant; the rate of interest, therefore, is low, and capital will be seeking its investment wherever it can hope to find it. If we derange our own currency, compulsively curtail circulation, and break up credit, how are the commerce and navigation of the United States to maintain themselves against foreign competition?

Before leaving, altogether, this subject of an excessive circulation, Mr. President, I will say a few words upon a topic which, if time would permit, I should be glad to consider at more length; I mean, sir, the proper guards and securities for a paper circulation. I have occasionally addressed the Senate on this subject before, especially in the debate on the specie circular, in December, 1836; but I wish to recur to it again, because I hold it to be of the utmost importance to prove, if it can be proved, to the satisfaction of the country, that a convertible paper currency may be so guarded as to be secure against probable dangers. I say, sir, a convertible paper currency: for I lay it down as an unquestionable truth, that no paper can be made equal, and kept equal to gold and silver, but such as is convertible into gold and silver, on demand. But, I have gone farther, and still go farther than this; and I contend that even convertibility, though itself indispensable, is not a certain and unfailing ground of reliance. There is a liability to excessive issues of paper, even while paper is convertible at will. Of this, there can be no doubt. Where, then, shall a regulator be found? What principle of prevention may we rely on?

Now I think, sir, it is too common with banks, in judging of their condition, to set off all their liabilities against all their resources. They look to the quantity of specie in their vaults, and to the notes and bills becoming payable, as means or assets; and, with these, they expect to be able to meet their returning notes, and to answer the claims of depositors. So far as the bank is to be regarded as a mere bank of discount, all this is very well. But banks of circulation exercise another function. By the very act of issuing their own paper, they affect the amount of currency. In England, the Bank of England, and in the United States, all the banks, expand or contract the amount of circulation, of course, as they increase or curtail the general amount of their own paper. And this renders it necessary that they should be regulated and controlled. The question is, by what rule? To this I answer, by subjecting all banks to the rule which the most discreet of them always follow—by compelling them to maintain a certain fixed proportion between specie and circulation; without regarding deposites on one hand, or notes payable on the other.

There will always occur occasional fluctuations in trade, and a demand for specie by one country on another will arise. It is too much the practice, when such occurrences take place, and specie is leaving the country, for banks to issue more paper, in order to prevent a scarcity of money. But exactly the opposite course should be adopted. A demand for specie to go abroad should be regarded as conclusive evidence of the necessity of contracting circulation. If, indeed, in such cases, it could be certainly known that the demand would be of short duration, the temporary pressure might be relieved by an issue of paper to fill the place of departing specie. But this never can be known. There is no safety, therefore, but in meeting the case at the moment, and in conforming to the infallible index of the exchanges. Circulating paper is thus kept always nearer to the character, and to the circumstances of that, of which it is designed to be the representative—the metallic money. This subject might be pursued, I think, and clearly illustrated; but, for the present, I only express my belief that, with experience before us, and with the lights which recent discussions, both in Europe and America, hold out, a national bank might be established, with more regard to its function of regulating currency, than to its function of discount, on principles, and subject to regulations, such as should render its operations extremely useful; and I should hope that, with an example before them of plain and eminent advantage, State institutions would conform to the same rules and principles; and that, in this way, all the advantages of convertible paper might be enjoyed, with just security against its dangers.

I have detained the Senate too long, sir, with these observations upon the state of the country, and its pecuniary system and condition.

And now, when the banks have suspended payments, universally; when the internal exchanges are all deranged, and the business of the country most seriously interrupted, the questions are—

Whether the measure before us is suitable to our condition? and,

Whether it is a just and proper exercise and fulfilment of the powers and duties of Congress?

What, then, sir, will be the practical operation and effect of this measure, if it should become a law?

Like its predecessor of the last session, the bill proposes nothing for the general currency of the country; nothing to restore exchanges; nothing to bring about a speedy resumption of specie payments by the banks. Its whole professed object is the collection and disbursement of the public revenue. Some of its friends, indeed, say, that when it shall go into operation, it will, *incidentally*, produce a favorable effect on the currency, by restraining the issue of bank paper. But others press it as if its effect was to be the final overthrow of all banks, and the introduction of an exclusive metallic currency for all the uses of the country.

Are we to understand, then, that it is intended, by means, of which this is the first, to rid the country of all banks, as being but so many nuisances, and to abolish all paper currency whatever?

Or is it expected, on the contrary, that after this system shall be adopted for the use of Government, there will still be a paper currency in the country for the use of the People?

And if there shall still be a paper currency, will that currency consist of irredeemable Government paper, or of convertible bank notes, such as have circulated heretofore? These questions must be answered, before we can judge accurately of the operation of this bill.

As to an exclusive metallic currency, sir, the Administration on this point is regularly Janus-faced. Out doors, and among the People, it shows itself "all *clinquant*, all in gold." There, every thing is to be hard money—no paper rags—no delusive credits—no bank monopolies—no trust in paper of any kind. But in the Treasury Department, and in the Houses of Congress, we see another aspect—a mixed appearance, partly gold and partly paper; gold for Government, and paper for the People. The small voice which is heard here, allows the absolute necessity of paper of some sort, and to some extent. But the shouts in the community demand the destruction of all banks, and the final extermination of all paper circulation.

To the People, the lion roars against paper money in all the loudness and terror of his natural voice; but to Members of Congress, he is more discreet; lest he should frighten them out of their wits, he here restrains and modulates, and roars "as gently as any sucking dove, or, as it were, any nightingale." The impracticability of an exclusive metallic currency, the absurdity of attempting any such thing in a country like this, are so manifest, that nobody here undertakes to support it by any reasoning or argument. All that is said in its favor, is general denunciation of paper, general outcry against the banks, and declamation against existing institutions, full of sound and fury, signifying nothing.

The moment any one considers it, he sees how ridiculous any such attempt would be. An exclusive metallic circulation for the second commercial country on earth, in the nineteenth century! Sir, you might as well propose to abolish commerce altogether.

The currency of England is estimated at sixty millions sterling: and it is Mr. McCulloch's calculation, that if this currency were all gold, allowing only one-quarter of one per cent. for wear of metals, the annual expense, attending such a currency, would be three millions and a quarter a year, or nearly five per cent. upon the whole. With us, this charge would be much greater. The loss of capital would be more, owing to the higher rates of interest; and besides all this, is the cost of transportation, which, in a country so extensive as ours, would be vast, and not easily calculated. We should also require, proportionally, more specie than is requisite in England, because our system of exchange, by means of bills of exchange, is, at present, and would be, under such a system as is proposed, much less perfect and convenient than that of England. Besides, the English metallic circulation is mostly gold, gold being in England the standard metal. With us, silver and gold both are made standards, at a fixed relation; and if we should succeed to keep this relation so true as to preserve both of the precious metals among us, (which, indeed, is not very probable,) our circulation would be still more expensive and cumbrous, from the quantity of silver which it would contain. The silver in the world is estimated to be fifty times as much as the gold in amount, and consequently something more than three times in value. If both should circulate, therefore, equally, in proportion to value, the currency would be as much as three parts silver, and one gold.

Now, sir, the annual expense of such a circulation, upon the basis of Mr. McCulloch's estimate, would exceed the whole annual expenditure made for our army and our navy. Consider, sir, the amount of actual daily payments made in the country. It is difficult to estimate it, and quite impossible to ascertain it, with any accuracy. But we can form some notion of it, by the daily amount of payments in the banks in some of the cities. In times of prosperous business and commerce, the daily amount of payments in the banks of New York alone has been equal to eight millions. Whether we call this a tenth, a twentieth, or a fiftieth part of all the payments and receipts made daily in the country, we see to what an aggregate result the whole would rise. And how is it possible that such amount of receipt and payment could be performed by an actual passing of gold and silver from hand to hand?

Such notions, sir, hardly require serious refutation.

Mr President, an entire metallic currency would necessarily create banks immediately. Where would the money be kept, or how could it be remitted? Banks of deposite must and would be instantly provided for it. Would the merchants of the cities be seen, in their daily walks of business, with servants behind them, with bags of gold and kegs of silver on their wheelbarrows? What folly is great enough to imagine this? If there were not now a bank note, nor a bank in the country, and if there should be an exclusive specie currency to-morrow morning at nine o'clock, there would be fifty banks before sunset. From necessity, there would be created at once places of deposite; and persons having money in such depositories would draw checks for it, and pass these checks as money, and from one hand they would pass to another; or the depositary himself would issue certificates of deposite, and these would pass as currency. And all this would do no more than just to carry us back two or three hundred years, to the infancy of banks. We should then have done nothing but reject the experience of the most civilized nations, for some centuries, as well as all our own experience, and have returned to the rude conceptions of former times. These certificates of deposite would soon be found to be often issued without any solid capital, or actual deposite. Abuses arising from this source would call for legislative interference, and the Legislature would find it necessary to restrain the issue of paper intended for circulation, by enacting that such issue should only be made on the strength of competent capital, actually provided and assigned, placed under proper regulation, and managed by persons responsible to the laws. And this would bring us again exactly to the state of things in which we now are; that is to say, to the use of the paper of banks, established, regulated, and controlled by law. In the mean time, before this process could be carried through, half the com-

munity would be made bankrupt by the ruin of their business, and by the violent and revolutionary changes of property which the process would create. The whole class of debtors, all that live more by industry than on capital, would be overwhelmed with undistinguishing destruction.

There will then, sir, be no such thing as an exclusive paper currency. The country will not be guilty of the folly of attempting it.

I should have felt that I had occupied too much time with such a senseless and preposterous suggestion, were it not the manifest object of partisans to press such notions upon the attention of the People, in aid of the war against the banks.

We shall then, sir, have paper of some sort, forming a part of our currency. What will that paper be? The honorable gentleman from South Carolina, admitting that paper is necessary as a part of the currency, or circulation, has contended that that paper ought to be Government paper—Government paper, not convertible nor redeemable, only so far as by being receivable for debts and dues to Government. My colleague has endeavored to satisfy the Senate, that the aim of the whole system, of which he regards this bill as but part, is to establish a circulation of Government paper and a Government bank. Other gentlemen have taken the same view of it. But, as the bill itself does not profess any such purpose, I am willing to discuss it in the character in which it presents itself. I take it for what its friends say it is—a bill making further provision for collecting the revenues.

We are, then, sir, still to have paper as a general medium of circulation; that paper is to be the paper of banks; but Government is to be divorced from these banks, altogether. It is not to keep its funds in them, as heretofore. It is to have nothing to do with them, but is to collect and disburse its revenues by its own means, and its own officers.

The receipt of the notes of specie-paying banks is to be partially allowed for some time, but it is to be gradually discontinued; and six years hence, we are to arrive at the maturity and the perfection of the system. When that auspicious day comes, Government is to receive and to pay out gold and silver, and nothing but gold and silver.

Now, Mr. President, let us anticipate this joyous epoch; let us suppose the six years to have expired; and let us imagine this bill, with its specie payments and all, to be in full operation at the present hour. What will that operation be? In the first place, disregarding all question of public convenience, or the general interests of the People, how will this system work as a mere mode of collecting and paying out revenue? Let us see.

Our receipts and expenditures may be estimated, each, at thirty millions a year. Those who think this estimate either too high or too low, may make the necessary allowance. Here, then, is the sum of thirty millions, to be collected and paid out every year; and it is all to be counted, actually told over, dollar after dollar, and gold piece after gold piece; and how many times counted? Let us inquire into that. The importing merchant, whose ship has arrived, and who has cash duties to pay, goes to the bank for his money, and the teller counts it out: that is once. He carries it to the custom-house, pays it, and the clerks count it over: that is twice. Some days afterwards, the collector takes it out of his bags and chests, carries it to the receiver general's office, and there it is counted again, and poured into the bags and chests of that office: that is the third time. Presently a warrant comes from the Treasury, in favor of some disbursing officer, and the boxes are opened, and the necessary sums counted out: this is the fourth counting. And, fifthly and lastly, the disbursing officer pays it to the persons entitled to receive it, on contracts, or for pensions, salaries, or other claims. Thirty millions of hard money are thus to be handled and told over five times in the course of the year; and if there be transfers from place to place, then, of course, it is to be counted so much oftener. Government officers, therefore, are to count over one hundred and fifty millions of dollars a year; which, allowing three hundred working days in the year, gives five hundred thousand dollars a day. But this is not all. Once a quarter, the naval officer is to count the collector's money, and the register in the land office is to count the receiver's money. And moreover, sir, every now and then the Secretary of the Treasury is to authorize unexpected and *impromptu* countings, in his discretion, and just to satisfy his own mind!

Sir, what a money-counting, tinkling, jingling generation we shall be! All the money-changers in Solomon's temple will be as nothing to us. Our sound will go forth unto all lands. We shall all be like the king in the ditty of the nursery:

"There sat the king, a counting of his money."

You will observe, sir, that these receipts and payments cannot be made in parcels, without the actual handling of each piece of coin. The marks on kegs of dollars, and the labels on bags of gold, are not to be trusted. They are a part of *credit*—and all credit, all trust, all confidence, is to be done away with. When the surveyor, for instance, at the custom-house, is to *examine the money on hand*, in possession of the collector, or receiver general, he is, of course, to count the money. No other examination can come to any thing. He cannot tell, from external appearance, nor from the weight, whether the collector has loaned out the money, and filled the bags and boxes up with sand and lead, or not. Nor can counterfeit pieces be otherwise detected than by actual handling. He must open, he must examine, he must count. And so at the land offices, the mints, and elsewhere. If these officers shall have a taste for silver sounds, they are all likely to be gratified.

Mr. President, in all soberness, is not this whole operation preposterous?

It begins by proposing to *keep* the public moneys. This, itself, in the sense the word is here used, is a perfect novelty, especially in the United States. Why *keep* the public moneys; that is

to say, why hoard them, why *keep* them out of use? The use of money is in the exchange. It is designed to circulate, not to be hoarded. All that Government should have to do with it, is to receive it to-day, that it may pay it away to-morrow. It should not receive it, before it needs it; and it should part with it as soon as it owes it. To *keep* it—that is, to detain it, to hold it back from general use, to hoard it, is a conception belonging to barbarous times and barbarous Governments. How would it strike us, if we should see other great commercial nations acting upon such a system? If England, with a revenue of fifty millions sterling a year, were found to be collecting and disbursing every shilling of it in hard money, through all the ramifications of her vast expenditure, should we not think her mad? But the system is worse here, because it withdraws just so much active capital from the uses of a country that requires capital, and is paying interest for capital wherever it can obtain it.

But now, sir, allow me to examine the operation of this measure upon the general interest of commerce, and upon the general currency of the country. And in this point of view the first great question is, *What amount of gold and silver will this operation subtract from the circulation of the country, and from the use of the banks?*

In regard to this important inquiry we are not without the means of forming some judgment. An official report from the Treasury, made to the other House, shows that, for the last ten years, there has been, at the end of each year, on an average, fifteen millions and four hundred thousand dollars in the Treasury. And this sum is exclusive of all that had been collected of the People, but had not yet reached the Treasury; and also of all that had been drawn from the Treasury by disbursing officers, but which had not yet been by them paid to individuals. Adding these sums together, sir, and the result is, that on an average for the last ten years, there have been at least twenty millions of dollars in the Treasury. I do not mean, of course, that this sum is, the whole of it, unappropriated. I mean that this amount has in fact been in the Treasury, either not appropriated, or not called for under appropriations; so that if this sub-treasury scheme had been in operation, in times past, of the specie in the currency, twenty millions would have been constantly locked up in the safes and vaults. Now, sir, I do not believe that, for these ten years, the whole amount of silver and gold in the country has exceeded, on the average, fifty or sixty millions. I do not believe it exceeds sixty millions at the present moment; and if we had now the whole system in complete operation, it would lock up, and keep locked up, one full third of all the specie in the country. Locked up I say—hoarded—rendered as useless to all purposes of commerce and business, as if it were carried back to its native mines. Sir, is it not inconceivable that any man should fall upon such a scheme of policy as this? Is it possible that any one can fail to see the destructive effects of such a policy on the commerce and the currency of the country?

It is true the system does not come into operation all at once. But it begins its demands for specie immediately; it calls upon the banks, and it calls upon individuals, for their hard dollars, that they may be put away and locked up in the Treasury, *at the very moment when the country is suffering for want of more specie in the circulation, and the banks are suffering for means to enable them to resume their payments.* And this, it is expected, will improve the currency, and facilitate resumption!

It has heretofore been asserted, that the general currency of the country needed to be strengthened, by the introduction of more specie into the circulation. This has been insisted on, for years. Let it be conceded. I have admitted it, and, indeed, contended for the proposition heretofore, and endeavored to prove it. But it must be plain to every body, that any addition of specie, in order to be useful, must either go into the circulation, as a part of that circulation, or else it must go into the banks, to enable them the better to sustain and redeem their paper. But this bill is calculated to promote neither of those ends, but exactly the reverse. It withdraws specie from the circulation and from the banks, and piles it up in useless heaps in the Treasury. It weakens the general circulation, by making the portion of specie, which is part of it, so much the less; it weakens the banks, by reducing the amount of coin which supports their circulation. The general evil imputed to our currency, for some years past, is, that paper has formed too great a portion of it. The operation of this measure must be to increase that very evil. I have admitted the evil, and have concurred in measures to remedy it. I have favored the withdrawing of small bills from circulation, to the end that specie might take their place. I discussed this policy, and supported it, as early as 1832. My colleague, who, shortly after that period, was placed in the chair of the chief magistracy of Massachusetts, pressed its consideration, at length, upon the attention of the Legislature of that State. I still think it was a right policy. Some of the States had begun to adopt it. But the measures of the Administration, and especially this proposed measure, throw this policy all aback. They undo at once all that we have been laboring. Such, and so pertinacious has been the demand of Government for specie, and such new demand does this bill promise to create, that the States have found themselves compelled again to issue small bills for the use of the People. It was a day of rejoicing, as we have lately seen, among the People of New York, when the Legislature of that State suspended the small-bill restraining law, and furnished the People with some medium for small payments, better than the miserable trash, which now annoys the community.

The Government, therefore, I insist, is evidently breaking down its own declared policy; it is defeating, openly and manifestly defeating, its own professed objects.

And yet, theory, imagination, presumptuous generalization, the application of military movements to questions of commerce and finance, and the abstractions of metaphysics, offer us, in such a state of things, their panacea. And what is it? What is it? What is to cure or

mitigate these evils, or what is to ward off future calamities? Why, sir, the most agreeable remedy imaginable; the kindest, tenderest, most soothing, and solacing application in the whole world! Nothing, sir, nothing upon earth, but a smart, delightful, perpetual, and irreconcileable warfare, between the Government of the United States and the State banks! All will be well, we are assured, when the Government and the banks become antagonistical! Yes, sir, "antagonistical!" that is the word. What a stroke of policy, sir, is this! It is as delicate a stratagem as poor old King Lear's, and a good deal like it. It proposes that we should tread lightly along, in felt or on velvet, till we get the banks within our power, and then, "kill, kill, kill!"

Sir, we may talk as much as we please about the resumption of specie payments, but I tell you that, with Government thus warring upon the banks, if resumption should take place, another suspension I fear would follow. It is not war, successful or unsuccessful, between Government and the banks; it is only peace, trust, confidence, that can restore the prosperity of the country. This system of perpetual annoyance to the banks, this hoarding up of money which the country demands for its own necessary uses, this bringing of the whole revenue to act, not in aid and furtherance, but in direct hindrance and embarrassment of commerce and business, is utterly irreconcileable with the public interest. We shall see no return of former times till it be abandoned—altogether abandoned. The passage of this bill will create new alarm and new distress.

People begin already to fear their own Government. They have an actual dread of those who should be their protectors and guardians. There are hundreds of thousands of honest and industrious men, sir, at this very moment, who would feel relieved in their circumstances, who would see a better prospect of an honest livelihood, and feel more sure of the means of food and clothing for their wives and children, if they should hear that this measure had received its death. Let us, then, sir, away with it. Do we not see the world prosperous around us? Do we not see other Governments and other nations, enlightened by experience, and rejecting arrogant innovations and theoretic dreams, accomplishing the great ends of society?

Why, sir, why are we, why are we alone among the great commercial States? Why are we to be kept on the rack and torture of these experiments? We have powers, adequate, complete powers. We need only to exercise them; we need only to perform our constitutional duty, and we shall spread content, cheerfulness, and joy, over the whole land.

This brings me, sir, to the second inquiry.

Is this measure, Mr. President, a just exercise of the powers of Congress, and does it fulfil all our duties?

Sir, I have so often discussed this point, I have so constantly insisted, for several years past, on the constitutional obligation of Congress to take care of the currency, that the Senate must be already tired of the speaker, if not weary of the topic; and yet, after all, this is the great and paramount question. Until this is settled, the agitation can never be quieted. If we have not the power, we must leave the whole subject in the hands of those who have it, or in no hands; but if we have the power, we are bound to exercise it, and every day's neglect is a violation of duty. I therefore again insist, that we have the power, and I again press its exercise on the two Houses of Congress. I again assert, that the regulation of the general currency—of the money of the country, whatever actually constitutes that money—is one of our solemn duties.

The Constitution confers on us, sir, the exclusive power of coinage. This must have been done for the purpose of enabling Congress to establish one uniform basis for the whole money system. Congress, therefore, and Congress alone, has power over the foundation, the groundwork, of the currency; and it would be strange and anomalous, having this, if it had nothing to do with the structure, the edifice, to be raised on this foundation! Convertible paper was already in circulation when the Constitution was framed, and must have been expected to continue and to increase. But the circulation of paper tends to displace coin; it may banish it altogether: at this very moment it has banished it. If, therefore, the power over the coin does not enable Congress to protect the coin, and to restrain any thing which would supersede it, and abolish its use, the whole power becomes nugatory. If others may drive out the coin, and fill the country with paper which does not represent coin, of what use, I beg to know, is that exclusive power over coins and coinage which is given to Congress by the Constitution?

Gentlemen on the other side admit that it is the tendency of paper circulation to expel the coin; but then they say, that, for that very reason, they will withdraw from all connexion with the general currency, and limit themselves to the single and narrow object of protecting the coin, and providing for payments to Government. This seems to me to be a very strange way of reasoning, and a very strange course of political conduct. The coinage-power was given to be used for the benefit of the whole country, and not merely to furnish a medium for the collection of revenue. The object was to secure, for the general use of the People, a sound and safe circulating medium. There can be no doubt of this intent. If any evil arises, threatening to destroy or endanger this medium or this currency, our duty is to meet it, not to retreat from it; to remedy it, not to let it alone; we are to control and correct the mischief, not to submit to it. Wherever paper is to circulate, as subsidiary to coin, or as performing, in a greater or less degree, the function of coin, its regulation naturally belongs to the hands which hold the power over the coinage. This is an admitted maxim by all writers; it has been admitted and acted upon, on all necessary occasions, by our own Government, throughout its whole history. Why will we now think ourselves wiser than all who have gone before us?

This conviction of what was the duty of Government led to the establishment of the bank

in the Administration of General Washington. Mr. Madison, again, acted upon the same conviction in 1816, and Congress entirely agreed with him. On former occasions, I have referred the Senate, more than once, to the clear and emphatic opinions and language of Mr. Madison, in his Messages in 1815 and 1816, and they ought to be repeated, again and again, and pressed upon the public attention.

And now let me say, sir, that no man in our history has carried the doctrine farther, defended it with more ability, or acted upon it with more decision and effect, than the honorable member from South Carolina. His speech upon the bank bill, on the 26th of February, 1816, is strong, full, and conclusive. He has heretofore said that some part of what he said on that occasion does not appear in the printed speech; but, whatever may have been left out by accident, that which is in the speech could not have got in by accident. Such accidents do not happen. A close, well conducted, and conclusive constitutional argument is not the result of an accident or of chance; and his argument on that occasion, as it seems to me, was perfectly conclusive. He founds the right of regulating the paper currency directly on the coinage power. "The only object," he says, "the framers of the Constitution could have in view, in giving to Congress the power to coin money, regulate the value thereof, and of foreign coin, must have been to give a steadiness and fixed value to the currency of the United States." The state of things, he insisted, existing at the time of the adoption of the Constitution, afforded an argument in support of the construction. There then existed, he said, a depreciated paper currency, which could only be regulated and made uniform by giving a power, for that purpose, to the General Government.

He proceeded to say that, by a sort of under-current, the power of Congress to regulate the money of the country had caved in, and upon its ruin had sprung up those institutions which now exercised the right of making money for and in the United States. "For gold and silver (he insisted) are not the only money; but whatever is the medium of purchase and sale; in which bank paper alone was now employed, and had, therefore, become the money of the country." "The right of making money," he added, "an attribute of sovereign power, a sacred and important right, was exercised by two hundred and sixty banks, scattered over every part of the United States."

Certainly, sir, nothing can be clearer than this language; and, acting vigorously upon principles thus plainly laid down, he conducted the Bank bill, through the House of Representatives. On that occasion, he was the champion of the power of Congress over the currency, and others were willing to follow his lead.

But the Bank bill was not all. The honorable gentleman went much farther. The bank, it was hoped and expected, would furnish a good paper currency to the extent of its own issues; but there was a vast quantity of bad paper in circulation, and it was possible that the mere influence of the bank, and the refusal to receive this bad money at the Treasury, might not, both, be able to banish it entirely from the country. The honorable member meant to make clean work. He meant that neither Government nor People should suffer the evils of irredeemable paper. Therefore, he brought in another bill, entitled "A bill for the more effectual collection of the public revenue." By the provisions of this bill, he proposed to lay a direct stamp tax on the bills of State banks; and all notes of non-specie-paying banks were, by this stamp, to be branded with the following words, in distinct and legible characters, at length—"NOT A SPECIE NOTE." For the tax laid on such notes, there was to be no composition, no commutation; but it was to be specifically collected, on every single bill issued, until those who issued such bills should announce to the Secretary of the Treasury, and prove to his satisfaction, that, after a day named in the bill, all their notes would be paid in specie on demand.

And now, how is it possible, sir, for the author of such a measure as this, to stand up and declare, that the power of Congress over the currency is limited to the mere regulation of the coin? So much for our authority, as it has heretofore been admitted and acknowledged, under the coinage power.

Nor, sir, is the other source of power, in my opinion, at all more questionable.

Congress has the supreme regulation of commerce. This gives it, necessarily, a superintendence over all the interests, agencies, and instruments of commerce. The words are general, and they confer the whole power. When the end is given, all the usual means are given. Money is the chief instrument or agent of commerce; there can, indeed, be no commerce without it, which deserves the name. Congress must, therefore, regulate it as it regulates other indispensable commercial interests. If no means were to be used to this end but such as are particularly enumerated, the whole authority would be nugatory, because no means are particularly enumerated. We regulate ships; their tonnage; their measurement; the shipping articles; the medicine chest; and various other things belonging to them; and for all this we have no authority but the general power to regulate commerce; none of these, or other means or modes of regulation are particularly and expressly pointed out.

But is a ship a more important instrument of commerce than money? We protect a policy of insurance, because it is an important instrument of ordinary commercial contract; and our laws punish with death any master of a vessel, or others, who shall commit a fraud on the parties to this contract by casting away a vessel. For all this we have no express authority. We infer it from the general power of regulating commerce, and we exercise the power in this case, because a policy of insurance is one of the usual instruments, or means, of commerce. But how inconsiderable and unimportant is a policy of insurance, as the means or an instrument of commerce, compared with the whole circulating paper of a country?

Sir, the power *is* granted to us; and granted without any specification of means; and therefore we may lawfully exercise all the usual means. I need not particularize these means, nor state, at present, what they are, or may be. One is, no doubt, a proper regulation of receipts at the custom houses and land offices. But this, of itself, is not enough. Another is a national bank, which, I fully believe, would, even now, answer all desired purposes, and reinstate the currency in ninety days. These, I think, are the means to be first tried; and if, notwithstanding these, irredeemable paper should overwhelm us, others must be resorted to. We have no direct authority over State banks; but we have power over the currency, and we must protect it, using, of course, always, such means, if they be found adequate, as shall be most gentle and mild. The great measure, sir, is a bank; because a bank is not only able to restrain the excessive issues of State banks, but it is able also to furnish for the country a currency of universal credit, and of uniform value. This is the grand desideratum. Until such a currency is established, depend on it, sir, what is necessary for the prosperity of the country can never be accomplished.

On the question of power, sir, we have a very important and striking precedent.

The members of the Senate, Mr. President, will recollect the controversy between New York and her neighbor States, fifteen or sixteen years ago, upon the exclusive right of steam navigation. New York had granted an exclusive right of such navigation over her waters to Mr. Fulton and his associates; and declared, by law, that no vessel propelled by steam should navigate the North river or the Sound, without license from these grantees, under penalty of confiscation.

To counteract this law, the Legislature of New Jersey enacted, that if any citizen of hers should be restrained, or injured, in person or property, by any party acting under the law of New York, such citizen should have remedy in her courts, if the offender could be caught within her territory, and should be entitled to treble damages and costs. New Jersey called this act a *law of retortion;* and justified it on the general ground of *reprisals.*

On the other side, Connecticut took fire, and as no steamboat could come down the Sound from New York to Connecticut, or pass up from Connecticut to New York, *without a New York license,* she enacted a law, by which heavy penalties were imposed upon all who should presume to come into her ports and harbors, *having any such license.*

Here, sir, was a very harmonious state of commercial intercourse! a very promising condition of things, indeed! You could not get from New York to New Haven by steam; nor could you go from New York to New Jersey, without transhipment in the bay. And now, sir, let me remind the country, that this belligerant legislation of the States concerned was justified and defended, by exactly the same arguments as those which we have heard in this debate. Every thing which has been said here, to prove that the authority to regulate commerce does not include a power to regulate currency, was said in that case, to prove that the same authority did not include an exclusive power over steamboats or other means of navigation. I do not know a reason, a suggestion, an idea, which has been used in this debate, or which was used in the debate in September, to show that Congress has no power to control the currency of the country and make it uniform, which was not used in this steamboat controversy, to prove that the authority of this Government did not reach the matter then in dispute. Look to the forensic discussion in New York! Look to the argument in the court here! You will find it every where urged that *navigation* does not come within the general idea of regulating commerce; that steamboats are but vehicles and instruments; that the power of Congress is general, and general only; and that it does not extend to agents and instruments.

And what, sir, put an end to this state of things? What stopped these seizures and confiscations? Nothing in the world, sir, but the exercise of the constitutional power of this Government. Nothing in the world, but the decision of the Supreme Court that the power of Congress to regulate commerce was paramount; that it overruled any interfering State laws; and that these acts of the States did interfere with acts of Congress enacted under its clear constitutional authority.

As to the extent of the power of regulating commerce, allow me to quote a single sentence from the opinion of one of the learned judges of the Supreme Court, delivered on that occasion; a judge always distinguished for the great care with which he guarded State rights: I mean Mr. Justice Johnson. And when I have read it, sir, then say, if it does not confirm every word and syllable which I have uttered on this subject, either now, or at the September session.

"In the advancement of society," said the judge, "labor, transportation intelligence, care, and various means of exchange, become commodities, and enter into commerce; *and the subject, the vehicle, the agent, and these various operations, become the objects of commercial regulation.*"

These just sentiments prevailed. The decision of the court quieted the dangerous controversy; and satisfied, and I will add gratified, most highly gratified, the whole country.

Sir, may we not perceive at the present moment, without being suspected of looking with eyes whose sight is sharpened by too much apprehension—may we not perceive, sir, in what is now passing around us, the possible beginnings of another controversy between States, which may be of still greater moment, and followed, if not arrested, by still more deplorable consequences? Do we see no danger, no disturbance, no contests ahead? Sir, do we not behold excited commercial rivalship, evidently existing between great States and great cities? Do we not see an emulous competition for trade, external and internal? Do we not see the parties concerned enlarging and proposing to enlarge, to a vast extent, their plans of currency, evidently in connexion with these objects of trade and commerce? Do we not see States themselves becoming deeply interested in great banking institutions? Do we not know that, already, the notes and bills of some States are prohibited by law from circulating in others?

Sir, I will push these questions no farther: but I tell you that it was for exactly such a crisis as this—for this very crisis—for this identical exigency now upon us—that this Constitution was framed, and this Government established. And, sir, let those who expect to get over this crisis without effort and without action, let those whose hope it is that they may be borne along on the tide of circumstances and favorable occurrences, and who repose in the denial of their own powers and their own responsibility—let all such look well to the end.

For one, I intend to clear myself from all blame. I intend, this day, to free myself of the responsibility of consequences, by warning you of the danger into which you are conducting our public affairs, by urging and entreating you, as I do now urge and entreat you, by invoking you, as I do invoke you, by your love of country, and your fidelity to the Constitution, to abandon all untried expedients; to put no trust in ingenuity and contrivance; to have done with projects which alarm and agitate the People; to seek no shelter from obligation and duty; but with manliness, directness, and true wisdom, to apply to the evils of the times their proper remedy. That Providence may guide the counsels of the country to this end, before even greater disasters and calamities overtake us, is my most fervent prayer!

Mr. President, on the subject of the power of Congress, as well as on other important topics, connected with the bill, the honorable gentleman from South Carolina has advanced opinions, of which I feel bound to take some notice.

That honorable gentleman, in his recent speech, attempted to exhibit a contrast between the course of conduct which I, and other gentlemen who act with me, at present pursue, and that which we have heretofore followed. In presenting this contrast, he said, he intended nothing personal; his only object was truth. To this I could not object. The occasion requires, sir, that I should now examine *his* opinions; and I can truly say, with him, that I mean nothing personally injurious, and that my object, also, is truth, and nothing else. Here I might stop; but I will even say something more.

It is now five and twenty years, sir, since I became acquainted with the honorable gentleman, in the House of Representatives, in which he had held a seat, I think, about a year and a half before I entered it. From that period, sir, down to the year 1824, I can say, with great sincerity, there was not, among my political contemporaries, any man for whom I entertained a higher respect, or warmer esteem. When we first met, we were both young men. I beheld in him a generous character, a liberal and comprehensive mind, engrossed by great objects, distinguished talent, and, particularly, great originality and vigor of thought. That he was ambitious, I did not doubt; but that there was any thing in his ambition low or sordid, any thing approaching to a love of the mere loaves and fishes of office, I did not then believe, and do not now believe. If, from that moment down to the time I have already mentioned, I differed with him on any great constitutional question, I do not know it.

But, in 1824, events well known to the Senate separated us; and that separation remained, wide and broad, until the end of the memorable session which terminated in March, 1833. With the events of that session, our occasions of difference had ceased; certainly for the time, and, as I sincerely hoped, forever. Before the next meeting of Congress, the public deposites had been removed from their lawful custody by the President. Respecting this exercise of the Executive power, the honorable gentleman and myself entertained the same opinions; and, in regard to subsequent transactions connected with that, and growing out of it, there was not, so far as I know, any difference of sentiment between us. We looked upon all these proceedings but as so many efforts to give to the Executive an unconstitutional control over the public moneys. We thought we saw, every where, proofs of a design to extend Executive authority, not only in derogation of the just powers of Congress, but to the danger of the public liberty. We acted together, to check these designs, and to arrest the march of Executive prerogative and dominion. In all this, we were but co-operating with many other gentlemen here, and with a large and intelligent portion of the whole country.

The unfortunate results of these Executive interferences with the currency had made an impression on the public mind. A revolution seemed in progress, and the People were coming in their strength, as we began to think, to support us and our principles.

In this state of things, sir, we met here at the commencement of the September session: but we met, not as we had done; we met, not as we had parted. The events of May, the policy of the President in reference to those events, the doctrines of the Message of September, the principles and opinions which the honorable gentleman, both to my surprise and to my infinite regret, came forward then to support, rendered it quite impossible for us to act together, for a single moment longer. To the leading doctrines of that Message, and to the policy which it recommended, I felt, and still feel, a deep, conscientious, and irreconcilable opposition. The honorable gentleman supported, and still supports, both. Here, then, we part. On these questions of constitutional power and duty, and on these momentous questions of national policy, we separate. And so broad and ample is the space which divides us, and so deep does the division run, touching even the very foundations of the Government, that, considering the time of life to which we both have arrived, it is not probable that we are to meet again. I say this with unfeigned and deep regret. Believe me, sir, I would most gladly act with the honorable gentleman. If he would but come back, now, to what I consider his former principles and sentiments; if he would place himself on those constitutional doctrines which he has sustained through a long series of years; and if, thus standing, he would exert his acknowledged ability to restore the prosperity of the country, and put an end to the mischiefs of reckless experiments and dangerous innovation,—I would not only willingly act *with* him, I would act *under* him; I would follow him,

I would support him, I would back him, at every step, to the utmost of my power and ability. Such is not to be our destiny. That destiny is, that we here *part;* and all I can say further is, that he carries with him the same feeling of personal kindness on my part, the same hearty good-will which have heretofore inspired me.

There have been three principal occasions, sir, on which the honorable gentleman has expressed his opinions upon the questions now under discussion. They are, his speechof the 15th September, his published letter of the 3d November, and his leading speech at the present session. These productions are all marked with his characteristic ability; they are ingenious, able, condensed, and striking. They deserve an answer. To some of the observations in the speech of September, I made a reply on the day of its delivery; there are other parts of it, however, which require a more deliberate examination.

Mr. President, the honorable gentleman declares in that speech, "that he belongs to the State-rights party; that that party, from the beginning of the Government, has been opposed to a national bank as unconstitutional, inexpedient, and dangerous; that it has ever dreaded the union of the political and moneyed power, and the central action of the Government, to which it so strongly tends; that the connexion of the Government with the banks, whether it be with a combination of State banks, or with a national institution, will necessarily centralize the action of the system at the principal point of collection and disbursement, and at which the mother bank, or the head of the league of State banks, must be located. From that point, the whole system, through the connexion with the Government, will be enabled to control the exchanges both at home and abroad, and, with it, the commerce, foreign and domestic, including exports and imports."

Now, sir, this connexion between Government and the banks, to which he imputes such mischievous consequences, he describes to be "the receiving and paying away their notes as cash; and the use of the public money from the time of the collection to the disbursement."

Sir, if I clearly comprehend the honorable gentleman, he means no more, after all, than this: that, while the public revenues are collected, as heretofore, through the banks, they will lie in the banks between the time of collection and the time of disbursement; that, during that period, they will be regarded as one part of the means of business and of discount possessed by the banks; and that, as a greater portion of the revenue is collected in large cities than in small ones, these large cities will, of course, derive greater benefit than the small ones from these deposites in the banks. In other words, that, as the importing merchants in a great city pay more duties to Government than those in a small one, so they enjoy an advantage to be derived from any use which the banks may make of these moneys, while on deposite with them. Now, sir, I would be very glad to know, supposing all this to be true, what there is in it either unequal or unjust? The benefit is exactly in proportion to the amount of business, and to the sums paid. If individuals in large cities enjoy the incidental use of more money, it is simply because they pay more money. It is like the case of credit on duty bonds. Whoever imports goods with the benefit of giving bond for duties, instead of making present payment, enjoys a certain benefit; and this benefit, in a direct sense, is in proportion to the amount of goods imported—the large importer having credit for a large sum, the small importer having credit for a smaller sum. But the advantage, the benefit, or the indulgence, or whatever we call it, is, nevertheless, entirely equal and impartial.

How, then, does the collection of revenue through the banks "centralize" the action of the commercial system? It seems to me, sir, the cause is mistaken for the effect. The greatest amount of revenue is collected in the greatest city, because it is already the greatest city; because its local advantages, its population, its capital and enterprise, draw business towards it, constitute it a central point in commercial operations, and have made it the greatest city. It is the centralization of commerce by these just and proper causes—causes which must always exist in every country—which produces a large collection of revenue in the favored spot. The amount of capital is one very important cause, no doubt; and leaving public moneys in the banks till wanted, allows to merchants, in places of large import, a degree of incidental benefit, in just proportion to the amount of capital by them employed in trade, and no more.

I suppose, sir, it is the natural course of things in every commercial country, that some place, or a few places, should go ahead of others in commercial business importance. This must ever be so until all places possess precisely equal natural advantages. And I suppose, too, that, instead of being mischievous, it is rather for the common good of all, that there should be some commercial emporium, some central point, for the exchanges of trade. Government, certainly, should not seek to produce this result by the bestowal of unequal privileges; but surely, sir, it would be a very strange and indefensible policy which should lead the Government to withhold any portion of the capital of the country from useful employment, merely because that, if employed, while all enjoyed the benefit proportionately, all would not enjoy it with the same absolute mathematical equality.

So much, sir, for concentration, arising from depositing the revenues in banks. Let us now look to the other part of the connexion, viz. the receiving of bank notes for duties. How in the world does this "centralize" the commercial system? The whole tendency and effect, as it seems to me, is directly the other way. It counteracts centralization. It gives all possible advantage to local currency and local payments, and thereby encourages both imports and exports. It tends to make local money good everywhere. If goods be imported into Charleston, the duties are paid in Charleston notes. New York notes are not demanded. Nothing, certainly, can be fairer or more equalthan this, and nothing more favorable to the Charleston importers.

But how would that system work, which the gentleman himself proposes?

If his plan could prevail, he would have the duties collected either in specie, or in a Government paper to be issued from the Treasury. He would reject all bank notes whatever. If the gentleman, sir, fears centralization, I am astonished that he does not see centralization in all its terrors in this very proposition of his own. Pray allow me to ask, sir, where will this Government paper, in the course of its issue and circulation, naturally centre? To what points will it tend? Certainly, most certainly, to the greatest points of collection and expenditure; to the very heart of the metropolitan city, wherever that city may be. This is as inevitable as the fall of water or the results of attraction. If two thirds of the duties be collected in New York, it will follow, of course, that two-thirds of any Government paper received for duties will be there received; and it will be more valuable there than elsewhere. The value of such paper would consist in its receivability, and nothing else. It would always tend, therefore, directly to the spot where the greatest demand should exist for it for that purpose. Is it not so at this moment with the outstanding Treasury notes? Are they abundant in Georgia, in Mississippi, in Illinois, or in New Hampshire? No sooner issued than they commence their march toward the place where they are most valued and most in demand: that is, to the place of the greatest public receipt. If you want concentration, sir, and enough of it—if you desire to dry up the small streams of commerce, and fill more full the deep and already swollen great channels, you will act very wisely to that end, if you keep out of the receipt of the Treasury all money but such paper as the Government may furnish, and which shall be no otherwise redeemable than in receipt for debts to Government, while at the same time you depress the character of the local circulation.

Such is the scheme of the honorable member in its probable commercial effect. Let us look at it in a political point of view.

The honorable member says he belongs to the State rights party; that party professes something of an uncommon love of liberty; an extraordinary sensibility to all its dangers; and of those dangers, it most dreads the union of the political and money power. This we learn from the authentic declaration of the gentleman himself. And now, oh, transcendent consistency! oh, most wonderful conformity of means and ends! oh, exquisite mode of gratifying high desires! behold, the honorable member proposes that the political power of the State shall take to itself the whole function of supplying the entire paper circulation of the country, by notes or bills of its own, issued at its own discretion, to be paid out or advanced to whomsoever it pleases, in discharging the obligations of Government, bearing no promise to pay, and to be kept in circulation merely by being made receivable at the Treasury! The whole circulation of the country, excepting only that which is metallic, and which must always be small, will thus be made up of mere Government paper, issued for Government purposes, and redeemable only in payment of Government debts. In other words, the entire means of carrying on the whole commerce of the country will be held by Government in its own hands, and made commensurate, exactly, with its own wants, purposes, and opinions; the whole commercial business of the country being thus made a mere appendage to revenue.

But, sir, in order that I may not misrepresent the honorable member, let me show you a little more distinctly what his opinions are respecting this Government paper.

The honorable member says, sir, that to make this sub-Treasury measure successful, and to secure it against reaction, some safe and stable medium of circulation, "to take the place of bank notes in the fiscal operations of the Government, ought to be issued;" that, "in the present condition of the world, a paper currency, in some form, if not necessary, is almost indispensable, in financial and commercial operations of civilized and extensive communities;" that "the great desideratum is to ascertain what description of paper has the requisite qualities of being free from fluctuation in value, and liability to abuse, in the greatest perfection;" that "bank notes do not possess these requisites in a degree sufficiently high for this purpose." And then he says, "I go farther. It appears to me, after bestowing the best reflection I can give the subject, that no convertible paper, that is, no paper whose credit rests upon a *promise to pay*, is suitable for currency." "On what, then, (he asks,) ought a paper currency to rest?" "I would say," he answers, "on demand and supply simply: which regulate the value of every thing else—the constant demand which Government has for its necessary supplies." He then proceeds to observe, "that there might be a sound and safe paper currency, founded on the credit of Government exclusively." "That such paper, only to be issued to those who had claims on the Government, would, in its habitual state, be at or above par with gold and silver;" that "nothing but experience can determine what amount, and of what denominations, might be safely issued; but that it might be safely assumed that the country would absorb an amount greatly exceeding its annual income. Much of its exchanges, which amount to a vast sum, as well as its banking business, would revolve about it; and many millions would thus be kept in circulation beyond the demands of the Government."

By this scheme, sir, Government, in its disbursements, is not to pay money, but to issue paper. This paper is no otherwise payable or redeemable, than as it may be received at the Treasury. It is expected to be let out much faster than it comes in, so that many millions will be kept in circulation; and its habitual character will be at or above par with gold and silver. Now, sir, if there is to be found anywhere a more plain and obvious project of paper money, in all its deformity, I should not know where to look for it.

In the first place, sir, I have suggested the complete union which it would form, if it were, in itself, practicable, between the political and the money power.

The whole commerce of the country, indeed, under such a state of law, would be little more than a sort of incident to Treasury operations—rather a collateral emanation of the revenue

system, than a substantial and important branch of the public interest. I have referred, also, to its probable consequences, upon that which the gentleman regards as so great an evil, and which he denominates "the centralization of commercial action."

And now I pray you to consider, Mr. President, in the next place, what an admirable contrivance this would be to secure that economy in the expenses of Government which the gentleman has so much at heart. Released from all necessity of taxation, and from the consequent responsibility to the People; not called upon to regard at all, the amount of annual income; having an authority to cause Treasury notes to issue whenever it pleases,

> "In multitudes, like which the populous North
> Poured never from her frozen loins, to pass
> Rhene, or the Danau;"

what admirable restraint would be imposed on Government, how doubly sure would assurance be made for it, that all its expenditures would be strictly limited to the absolute and indispensable wants and demands of the public service!

But, sir, fortunately, very fortunately, a scheme so wild, and which would be so mischievous, is totally impracticable. It rests on an assumption, for which there is not the least foundation, either in reason or experience. It takes for granted that which the history of every commercial state refutes, and our own, especially, in almost every page. It supposes that irredeemable Government paper can circulate in the business of society, and be kept at par. This is an impossibility. The honorable gentleman rejects convertible bank notes, which are equivalent to specie, since they will always command it, and adopts, in their stead, Government paper, with no promise to pay, but a promise only to be received for debts and taxes; and he puts forth the imagination, as I have said, so often and so long refuted, that this paper will be kept in circulation in the country, and will be able to perform the great business of currency and exchange, even though it exist in quantities exceeding, by many millions, the demands of Government.

If it be necessary, sir, at this day, to refute ideas like these, it must be because the history of all countries, our own included, is a dead letter to us. Even at the very moment in which I am speaking, the small amount of Treasury notes which has been issued by Government, hardly a fifth part of the ordinary annual revenue—though those notes bear an interest of five per cent.—though they are redeemable in cash at the Treasury, at the expiration of the year—and though, in the mean time, they are every where received in Government dues, are not only of less value than specie, but of less value, also, than the notes of non-specie-paying banks; those banks whose paper is daily denounced here as "rags, filthy rags." In my opinion, sir, the whole scheme is as visionary and impracticable as any which the genius of project ever produced.

Mr. President, toward the close of this speech of September, I find a paragraph in which several other subjects are brought together, and which I must ask permission to read.

Having commended the wise and noble bearing of the little State-rights party, of which he says it is his pride to be a member, throughout the eventful period through which the country has passed since 1824, he adds:

"In that year, as I have stated, the tariff system triumphed in the councils of the nation. We saw its disastrous political bearings; foresaw its surpluses, and the extravagancies to which it would lead; we rallied on the election of the late President to arrest it through the influence of the Executive Department of the Government. In this we failed. We then fell back upon the rights and sovereignty of the States; and, by the action of a small but gallant State, and through the potency of its interposition, we brought the system to the ground, sustained, as it was, by the Opposition and the Administration, and by the whole power and patronage of the Government."

Every part of this most extraordinary statement well deserves attention.

In the first place, sir, here is an open and direct avowal that the main object for rallying on General Jackson's first election, was to accomplish the overthrow of the protecting policy of the country. Indeed! Well, this is very frank. I am glad to hear the avowal made. It puts an end to all suspicions.

It was, then, to overthrow protection, was it, that the honorable gentleman took so much pains to secure Gen. Jackson's first election? I commend his candor, in now acknowledging it. But, sir, the honorable member had allies and associates in that rally. They thronged round him from all quarters, and followed his lead. And pray, sir, was his object, as now avowed by himself, the joint object of all the party? Did he tell Pennsylvania, honest, intelligent, straight-forward Pennsylvania, that such was his purpose? And did Pennsylvania concur in it? Pennsylvania was first and foremost in espousing the cause of General Jackson. Everybody knows she is more of a tariff State than any other in the Union. Did he tell her that his purpose was to break the tariff entirely down? Did he state his objects, also, to New York? Did he state them to New Jersey? What say you, gentlemen from Pennsylvania, gentlemen from New York, and gentlemen from New Jersey? Ye who supported Gen. Jackson's election, what say you? Was it your purpose, also, by that election, to break down the protective policy? Or, if it were not your purpose, did you know, nevertheless—pray let us understand that—did you know, nevertheless, that it *was* the purpose, and the main purpose, of the honorable member from Carolina? and did you, still, co-operate with him?

The present Chief Magistrate of the country was a member of this body in 1828. He and the honorable member from Carolina were, at that time, exerting their united forces, to the utmost in order to bring about Gen. Jackson's election. Did they work thus zealously together, for the same ultimate end and purpose? or did they mean merely to change the Government, and then each to look out for himself?

Mr. Van Buren voted for the tariff bill of that year, commonly called the "bill of abominations;" but, very luckily, and in extremely good season, *instructions* for that vote happened to come from Albany! The vote, therefore, could be given, and the member giving it could not possibly thereby give any offence to any gentleman of the State-rights party, with whom the doctrine of instructions is so authentic.

Sir, I will not do gentlemen injustice. Those who belonged to tariff States, as they are called, and who supported General Jackson for the Presidency, did not intend thereby to overthrow the protecting policy. They only meant to make General Jackson President, and to come into power along with him! As to ultimate objects, each had his own. All could agree, however, in the first step. It was difficult, certainly, to give a plausible appearance to a political union, among gentlemen who differed so widely, on the great and leading question of the times—the question of the protecting policy. But this difficulty was overcome by the oracular declaration that General Jackson was in favor of a "JUDICIOUS TARIFF."

Here, sir, was ample room and verge enough. Who could object to a *judicious tariff?* Tariff men and Anti-tariff men, State-rights men and Consolidationists, those who had been called prodigals, and those who had been called radicals, all thronged and flocked together here, and with all their difference in regard to ultimate objects, agreed to make common cause, till they should get into power.

The ghosts, sir, which are fabled to cross the Styx, whatever different hopes or purposes they may have beyond it, still unite, in the present wish to get over, and therefore all hurry and huddle into the leaky and shattered craft of Charon, the ferryman. And this motley throng of politicians, sir, with as much difference of final object, and as little care for each other, made a boat of "Judicious Tariff," and all rushed and scrambled into it, until they filled it, near to sinking. The authority of the master was able, however, to keep them peaceable and in order, for the time, for they had the virtue of submission, and though with occasional dangers of upsetting, he succeeded in pushing them all over with his long setting-pole.

"IPSE ratem conto subigit."

Well, sir, the honorable gentleman tells us that he expected, when Gen. Jackson should be elected, to arrest the tariff system *through the influence of the Executive Department.* Here is another candid confession. Arrest the tariff by Executive influence! Indeed! Why, sir, this seems like hoping, from the first, for the use of the Veto. How, but by the Veto, could the Executive arrest the tariff acts? And is it true, sir, that, at that early day, the honorable member was looking to the Veto, not with dread, but with hope? Did he expect it, and did he rely upon it? Did he make the rally of which he speaks, in order that he might choose a President who would exercise it? And did he afterwards complain of it, or does he complain of it now, only because it was ill-directed—because it turned out to be a thunderbolt, which did not fall in the right place?

In this reliance on Executive influence—sir, I declare I hardly can trust myself that I read or quote correctly, when I find, in what I read, or from what I quote, the honorable member from South Carolina, by his own confession, hoping or expecting to accomplish any thing by Executive influence; yet so was it spoken, and so is it printed—in this reliance, or this hope, or expectation, founded on Executive influence, the honorable gentleman and his friends failed; and, failing in this, he says, they fell back on the sovereignty of the States, and brought the system to the ground "through the potency of interposition;" by which he means neither more nor less than nullification. So then, sir, according to this, that excessive fear of power which was so much cherished by the Nullifiers, was only awakened to a flame in their bosoms, when they found that they could not accomplish their own ends by the Executive power of the President.

I am no authorized commentator, sir, on the doctrines or theories of nullification. *Non nostrum.* But, if this exposition be authentic, I must say it is not calculated to diminish my opposition to the sentiments of that school.

But the gentleman goes on to tell us that nullification, or interposition, succeeded. By means of it, he says, he did bring the protective system to the ground. And so, in his published letter of November 3d, he states that "State interposition has overthrown the protective tariff, and, with it, the American system."

We are to understand, then, sir, first, that the compromise act of 1833 was forced upon Congress by State interposition, or nullification.

Next, that its object and design, so far as the honorable gentleman was concerned in it, was to break down and destroy, forever, the whole protective policy of the country.

And lastly, that it has accomplished that purpose, and that the last vestige of that policy is wearing away.

Now, sir, I must say, that in 1833, I entertained no doubt at all that the design of the gentleman was exactly what he now states. On this point, I have not been deceived. It was not, certainly, the design of all who acted with him; but, that it was his purpose, I knew then, as clearly as I know now, after his open avowal of it; and this belief governed my conduct at the time, together with that of a great majority of those in both Houses of Congress, who, after the act of 1824, felt bound to carry out the provisions of that act, and to maintain them reasonably and fairly. I opposed the compromise act with all my power. It appeared to me every way objectionable; it looked like an attempt to make a new Constitution; to introduce another fundamental law, above the power of Congress, and which should control the authority and discretion of Congress, in all time to come. This, of itself, was a conclusive objection with me; I said so then, have

often said so since, and say so now. I said, then, that I, for one, should not be bound by that law more than by any other law, except that, as it was a law passed on a very important and agitating subject, I should not be disposed to interfere with it, until a case of clear necessity should arise. On this principle I have acted since. When that case of necessity shall arise, however, should I be in public life, I shall concur in any alteration of that act, which such necessity may require. That such an occasion may come, I more than fear. I entertain something stronger than a doubt upon the possibility of maintaining the manufactures and industry of this country, upon such a system as the compromise act will leave us, when it shall have gone through its processes of reduction. All this, however, I leave to the future.

Having had occasion, Mr. President, to speak of Nullification and the Nullifiers, I beg leave to say, that I have not done so for any purpose of reproach. Certainly, sir, I see no possible connexion, myself, between their principles or opinions, and the support of this measure. They, however, must speak for themselves. They may have intrusted the bearing of their standard, for aught I know, to the hands of the honorable member from South Carolina; and I perceived last session, what I perceive now, that in his opinion there is a connexion between these projects of Government and the doctrines of nullification. I can only say, sir, that it will be marvellous to me if that banner, though it be said to be tattered and torn, shall yet be lowered in obeisance, and laid at the footstool of Executive power. To the sustaining of that power, the passage of this bill is of the utmost importance. The Administration will regard its success as being to them, what Cromwell said the battle of Worcester was to him—"a crowning mercy." Whether gentlemen, who have distinguished themselves so much by their extreme jealousy of this Government, shall now find it consistent with their principles to give their aid in accomplishing this consummation, remains to be seen.

The next exposition of the honorable gentleman's sentiments and opinions is his letter of November 3d.

This letter, sir, is a curiosity. As a paper, describing political movements, and exhibiting political opinions, it is without a parallel. Its phrase is altogether military. It reads like a despatch, or a bulletin from headquarters. It is full of attacks, assaults, and repulses. It recounts movements and counter-movements; speaks of occupying one position, falling back upon another, and advancing to a third; it has positions to cover enemies, and positions to hold allies in check. Meantime, the celerity of all these operations reminds one of the rapidity of the military actions of the King of Prussia, in the seven years' war. Yesterday he was in the South, giving battle to the Austrian—to-day he is in Saxony, or Silesia; instantly he is found to have traversed the Electorate, and is facing the Russian and the Swede on his northern frontier. If you look for his place on the map, before you find it he has quitted it. He is always marching, flying, falling back, wheeling, attacking, defending, surprising; fighting every where, and fighting all the time. In one particular, however, the campaigns, described in this letter, differ from the manner in which those of the great Frederick were conducted. I think we nowhere read in the narrative of Frederick's achievements, of his taking a position to cover an enemy, or a position to hold an ally in check. These refinements, in the science of tactics and of war, are of more recent discovery.

Mr. President, public men must certainly be allowed to change their opinions, and their associations, whenever they see fit. No one doubts this. Men may have grown wiser, they may have attained to better and more correct views of great public subjects. It would be unfortunate, if there were any code which should oblige men, in public or private life, to adhere to opinions once entertained, in spite of experience and better knowledge, and against their own convictions of their erroneous character. Nevertheless, sir, it must be acknowledged, that what appears to be a sudden, as well as a great change, naturally produces a shock. I confess, for one, I was shocked, when the honorable gentleman, at the last session, espoused this bill of the Administration. And when I first read this letter of November, and, in the short space of a column and a half, ran through such a succession of political movements, all terminating in placing the honorable member in the ranks of our opponents, and entitling him to take his seat, as he has done, among them, if not at their head, I confess I felt still greater surprise. All this seemed a good deal too abrupt. Sudden movements of the affections, whether personal or political, are a little out of nature.

Several years ago, sir, some of the wits of England wrote a mock play, intended to ridicule the unnatural and false feeling, the *sentimentality*, of a certain German school of literature. In this play, two strangers are brought together at an inn. While they are warming themselves at the fire, and before their acquaintance is yet five minutes old, one springs up and exclaims to the other, "A sudden thought strikes me! Let us swear an eternal friendship!"

This affectionate offer was instantly accepted, and the friendship duly sworn, unchangeable and eternal! Now, sir, how long this eternal friendship lasted, or in what manner it ended, those who wish to know, may learn by referring to the play.

But it seems to me, sir, that the honorable member has carried his political sentimentality a good deal higher than the flight of the German school; for he appears to have fallen suddenly in love, not with strangers, but with opponents.

Here we all had been, sir, contending against the progress of Executive power, and more particularly, and most strenuously, against the projects and experiments of the Administration upon the currency. The honorable member stood among us, not only as an associate, but as a leader. We thought we were making some headway. The People appeared to be coming to our support and our assistance. The country had been roused; every successive election weak-

ening the strength of the adversary, and increasing our own. We were in this career of success carried strongly forward by the current of public opinion, and only needed to hear the cheering voice of the honorable member,

"Once more unto the breach, dear friends, once more!"

and we should have prostrated, forever, this anti-constitutional, anti-commercial, anti-republican, and anti-American policy of the Administration. But, instead of these encouraging and animating accents, behold! in the very crisis of our affairs, on the very eve of victory, the honorable member cries out—to the enemy—not to us, his allies—but to the enemy—"Holloa! A sudden thought strikes me! I abandon my allies! Now I think of it, they have always been my oppressors! I abandon them, and now let *you and me* swear an eternal friendship!"

Such a proposition, from such a quarter, sir, was not likely to be long withstood. The other party was a little coy, but, upon the whole, nothing loath. After proper hesitation, and a little decorous blushing, it owned the soft impeachment, admitted an equally-sudden sympathetic impulse on its own side; and, since few words are wanted where hearts are already known, the honorable gentleman takes his place among his new friends, amidst greetings and caresses, and is already enjoying the sweets of an eternal friendship.

In this letter, Mr. President, the writer says, in substance, that he saw, at the commencement of the last session, that affairs had reached the point, when he and his friends, according to the course they should take, would reap the full harvest of their long and arduous struggle, against the encroachments and abuses of the General Government, or lose the fruits of all their labors.

At that time, he says, State interposition (viz. Nullification) had overthrown the protecting tariff and the American system, and put a stop to Congressional usurpation; that he had previously been united with the National Republicans; and that their joint attacks had brought down the power of the Executive; but that, in joining such allies, he was not insensible to the embarrassment of his position; that, with them, victory itself was dangerous; and that therefore he had been waiting for events; that now, (that is to say, in September last,) the joint attacks of the allies had brought down Executive power; that the Administration had become divested of power and influence, and that it had become clear that the combined attacks of the allied forces would utterly overthrow and demolish it. All this he saw. But he saw, too, as he says, that in that case the victory would enure, not to him or his cause, but to his allies and their cause. I do not mean to say that he spoke of personal victories, or alluded to personal objects, at all. He spoke of his cause.

He proceeds to say, then, that never was there before, and never, probably, will there be again, so fair an opportunity for himself and his friends to carry out *their own principles and policy*, and to reap the fruits of their long and arduous struggle. These principles and this policy, sir, be it remembered, he represents, all along, as identified with the principles and policy of nullification. And he makes use of this glorious opportunity, by refusing to join his late allies in any further attack on those in power, rallying anew the old State-rights party to hold in check their old opponents, the National Republican party. This, he says, would enable him to prevent the complete ascendancy of his allies, and to compel the Southern division of the Administration party to occupy the ground of which he proposes to take possession, to wit, the ground of the old State-rights party. They will have, he says, no other alternative.

Mr. President, stripped of its military language, what is the amount of all this, but that, finding the Administration weak, and likely to be overthrown, if the Opposition continued with undiminished force, he went over to it, to join it; to act, himself, upon nullification principles; and to compel the Southern members of the Administration to meet him on those principles?—in other words, to make a nullification Administration, and to take such part in it as should belong to him and his friends. He confesses, sir, that in thus abandoning his allies, and taking a position to cover those in power, he perceived a shock would be created, which would require some degree of resolution and firmness. In this he was right. A shock, sir, has been created; yet there he is.

This Administration, sir, is represented as succeeding to the last, by an inheritance of principle. It professes to tread in the footsteps of its illustrious predecessor. It adopts, generally, the sentiments, principles, and opinions, of General Jackson—*Proclamation and all:* and yet, though he be the very prince of Nullifiers, and but lately regarded as the chiefest of sinners, it receives the honorable gentleman with the utmost complacency; to all appearance the delight is mutual; they find him an able leader, he finds them complying followers. But, sir, in all this movement, he understands himself. He means to go ahead, and to take them along. He is in the engine-car; he controls the locomotive. His hand regulates the steam, to increase or retard speed, at his own discretion. And as to the occupants of the passenger-cars, sir, they are as happy a set of gentlemen as one might desire to see, of a summer's day. They feel that they are in progress; they hope they shall not be run off the track; and when they reach the end of their journey, they desire to be thankful!

The arduous struggle is now all over. Its richest fruits are all reaped; Nullification embraces the sub-Treasuries, and oppression and usurpation will be heard of no more.

On the broad surface of the country, sir, there is a spot called "the Hermitage." In that residence is an occupant very well known, and not a little remarkable both in person and character. Suppose, sir, the occupant of the Hermitage were now to open that door, enter the Senate, walk forward, and look over the Chamber to the seats on the other side. Be not frightened,

gentlemen, it is but fancy's sketch. Suppose he should thus come in among us, sir, and see into whose hands has fallen the chief support of that Administration, which was, in so great a degree, appointed by himself, and which he fondly relied on to maintain the principles of his own. If gentlemen were now to see his steady military step, his erect posture, his compressed lips, his firmly knitted brow, and his eye full of fire, I cannot help thinking, sir, they would all feel somewhat queer. There would be, I imagine, not a little awkward moving, and shifting in their seats. They would expect soon to hear the roar of the lion, even if they did not feel his paw.

I proceed, sir, to the speech of the honorable member, delivered on the 15th of February last, in which he announces propositions, respecting the constitutional power of Congress, which, if they can be maintained, must necessarily give a new direction to our legislation, and would go far towards showing the necessity of the present bill.

The honorable member, sir, insists that Congress has no right to make general deposites of the public revenue in banks; and he denies, too, that it can authorize the reception of any thing but gold and silver in the payment of debts and dues to the Government.

These questions, sir, are questions of magnitude, certainly, and, since they have been raised, ought to be answered. They may be considered together. Allow me in the first place, however, to clear them from some extraneous matter. The honorable member puts the first question thus: Have we the right to make deposites in the banks, in order to bestow confidence in them, with a view to enable them to resume specie payments? And, by way of illustration, asks the further question, Whether Government could constitutionally bestow on individuals, or a private association, the same advantages, in order to enable *them* to pay their debts? But this I take not to be the question. The true inquiry is, May not Congress authorize the public revenue, in the intervening time between its receipt and its expenditure, to be deposited in banks, for the general purpose of safe-keeping, in the same way as individuals deposite their own money? And if this mode of safe-keeping be attended with incidental advantages, of considerable importance to the community, is not that a reason which may properly govern the discretion of Congress in the case? To benefit the banks, or to benefit the community, is, in this case, not the main object; it is only the incident; and as to the case put for illustration, it would not be expected of Congress, certainly, to make deposites with individuals with a view, principally, of enabling such individuals to pay their debts: it might, nevertheless, be very competent to Congress, in some cases, and a very proper exercise of its power, to deposite money, even with individuals, in such manner as that it might be advantageous to the depositary. This incidental or consequential advantage results, often, from the nature of the transaction, and is inseparable from it. It may always be enjoyed, more or less, by any one, who holds public money for disbursement. In order to the necessary exercise of any of its powers, Government doubtless may make contracts with banks or other corporations as well as with individuals. If it has occasion to buy bills of exchange, it may buy them of banks. If it has stock or Treasury notes to sell, it may sell to banks, as the Secretary of the Treasury has lately proposed. It may employ banks, therefore, at its discretion, for the keeping of the public moneys, as those moneys must be kept somewhere. It can no more need a specific grant of power in the Constitution for such a purpose, than one merchant, becoming agent for another to receive and pay out money, would need a particular clause in his authority, enabling him to use banks for these purposes as other persons use them. No question has ever been raised in this Government about the power of Congress to authorize such deposites. Mr. Madison, in opposing the first bank charter in 1791, argued, strenuously, that a Bank of the United States was not necessary to Government as a depository of the public moneys, because, he insisted, its use could be supplied by other banks. This sufficiently shows his opinion. And in 1800, Congress made it the duty of the collectors of customs to deposite bonds for duties in the bank and its branches for collection.

When the charter of the first bank expired, in 1811, almost every gentleman who opposed its renewal contended that it was not necessary for the purpose of holding deposites of revenue, because State banks could answer all such purposes equally well. A strong and prevailing tone of argument runs through all the speeches on that occasion, tending to this conclusion, viz: that Government may derive from State banks all the benefit which a Bank of the United States could render. In 1816, when the charter of the last bank was granted, it contained, as originally presented, no provision for making the public deposites in the bank. The bill was probably drawn, in this particular, from the model of the first charter, in which no such clause was contained, without adverting to the law of 1800; but a section was introduced, on my motion, making it the duty of collectors to deposite the public moneys in the bank and its branches. It was this section of the law which some of us thought was violated by the removal of the deposites. The main object of the deposite bill of 1836, as we know, was to regulate deposites of the public money with the State banks; so that, from the commencement of the Government to the present time, nobody has thought of making any question of the constitutional power of Congress to make such arrangements.

The gentleman's other proposition, and which he lays down with still more confidence and emphasis, is, that Congress cannot, constitutionally, authorize the receipt of bank notes, though they be notes of specie-paying banks, in payment of debts to Government; because, he says, that would make them money; and if we make them money, then we are bound to control and regulate that money. Most certainly, sir, I agree with the honorable member, that when bank notes become money, we are bound to control and regulate them. I thank him for this admission; since it goes a great way to support that proposition, for which I have been contending. That bank notes have become money in fact, that they answer the uses of money, that, in many

respects, the law treats them as money, is certain. Why, then, are we not already bound to control and regulate them? The gentleman will say, because we have not, ourselves, made them money. But is that any answer? If they have become money in fact, they require the same regulation, and we have the same authority to bestow it, as if they had acquired that character by any acts of our own: because our power is general; it is to take care of the money of the country, and to regulate all the great concerns of commerce.

But let us see how this opinion of the honorable member stands upon the authorities in our own history.

When the first bank was established, the right of Congress to create such a corporation was, as we all know, very much disputed. Large majorities, however, in both Houses, were of opinion that the right existed, and they therefore granted the charter; and in this charter there was an express provision that the bills of the bank should be receivable in all payments to Government. Those who opposed the bank did not object to this clause: on the contrary, they went even much farther; and Mr. Madison expressly insisted that Congress might grant or refuse, to State banks, the privilege of having their notes received in revenue. In 1791, therefore, men of all parties supposed that Congress, in its discretion, might authorize the receipt of bank notes. The same principle was incorporated into the bank charter of 1816: indeed, it was in the bill which the gentleman himself reported; and it passed without objection from any quarter. But this is not all. Mr. President, let us look into the proceedings of the session of 1815-'16, a little more closely. At the commencement of that session, Mr. Madison drew our attention to the state of the currency; by which he meant the paper currency of the country, which was then very much disordered, as the banks had suspended specie payment during the war, and had not resumed. Early in the progress of the session, the honorable member from South Carolina moved that this part of the message should be referred to a select committee. It was so ordered. The committee was raised, and the honorable gentleman placed at its head. As chairman of the committee, he introduced the Bank bill, explained it, defended it, and carried it triumphantly through the House, having in it the provision which I have before mentioned.

But there is something more. At the same session the gentleman introduced the bill for the further collection of the revenue, to which I have already referred, and in which bill he carried the receivability of bank notes much further, and provided that *notes of any bank or bankers which were payable and paid, on demand, in specie, might be allowed and accepted in all payments to the United States.* So that the honorable gentleman himself drew, with his own pen, the very first legal enactment in the history of this Government, by which it was provided that the notes of State banks should be considered and treated as money at the Treasury. Still further, sir. The bill containing this provision did not pass the House; and as I deemed some provision necessary, indispensably necessary, for the state of things then existing, I introduced, I think the very next day after the failure of the honorable gentleman's bill, three resolutions. The two first were merely declaratory, asserting that all duties, taxes, and imposts, ought to be uniform, and that the revenues of the United States ought to be collected and received in the legal currency, or in Treasury notes, or the notes of the Bank of the United States, as by law provided. These two resolutions I agreed to waive, as it was thought they were not essential, and that they might imply some degree of censure upon past transactions. The third resolution was in these words:

"*And resolved, further*, That the Secretary of the Treasury be, and he hereby is, required and directed to adopt such measures as he may deem necessary to cause, as soon as may be, all duties, taxes, debts, or sums of money accruing or becoming payable to the United States, to be collected and paid in the legal currency of the United States, or Treasury notes, or notes of the Bank of the United States, as aforesaid; and that from and after the 1st day of February next, no such duties, taxes, debts, or sums of money accruing or becoming payable to the United States as aforesaid, ought to be collected or received otherwise than in the legal currency of the United States, or Treasury notes, or notes of the Bank of the United States, as aforesaid."

The Senate will perceive that, in this resolution of mine, there was no provision whatever for receiving bank notes, except of the Bank of the United States, according to its charter. Well, what happened thereon? Why, sir, if you look into the National Intelligencer of a succeeding day, you will find it stated, that Mr. Calhoun moved to amend Mr. Webster's resolution by "*extending its provisions to the notes of all banks which should, at the time specified therein, pay their notes in specie on demand.*"

This amendment was opposed, and for a time defeated; but it was renewed, and finally prevailed. It was incorporated into the resolution, became part of the law of the land, and so remains at this very moment. Sir, may I not now say to the honorable member, that if the Constitution of the country has been violated by treating bank notes as money—"Thou art the man!"

How is it possible, sir, the gentleman could so far forget his own agency in these most important transactions, as to stand up here, the other day, and with an air not only of confidence but of defiance, say: "But I take a still higher ground; I strike at the root of the mischief. I deny the right of this Government to treat bank notes as money in its fiscal transactions. On this great question I never have before committed myself, though not generally disposed to abstain from forming or expressing opinions."

I will only add, sir, that this reception and payment of bank notes was expressly recognised by the act of the 14th April, 1836; by the deposite act of June of that year, and by the bill which

passed both Houses in 1837, but which the President did neither approve nor return. In all these acts, so far as I know, the honorable member from South Carolina himself concurred.

So much for authority.

But now, sir, what is the principle of construction upon which the gentleman relies to sustain his doctrine? "The genius of our Constitution," he says, "is opposed to the assumption of power." This is undoubtedly true: no one can deny it. But he adds, "whatever power it gives, is expressly granted."

But I think, sir, this by no means follows from the first proposition, and cannot be maintained. It is doubtless true that no power is to be assumed; but then powers may be inferred, or necessarily implied. It is not a question of assumption, it is a question of fair, just, and reasonable inference. To hold that no power is granted and no means authorized, but such as are granted or authorized by express words, would be to establish a doctrine that would put an end to the Government. It could not last through a single session of Congress. If such opinions had prevailed in the beginning, it never could have been put in motion, and would not have drawn its first breath. My friend near me, from Delaware, has gone so fully and so ably into this part of the subject, that it has become quite unnecessary for me to pursue it. Where the Constitution confers on Congress a general power, or imposes a general duty, all other powers necessary for the exercise of that general power, and for fulfilling that duty, are implied, so far as there is no prohibition. We act every day upon this principle, and could not carry on the Government without its aid. Under the power to coin money, we build expensive mints—fill them with officers—punish such officers for embezzlement—buy bullion—and exercise various other acts of power.

The Constitution says that the judicial power of the United States shall be vested in certain courts. Under this general authority we not only establish such courts, but protect their records by penalties against forgery, and the purity of their administration by punishing perjuries.

The Department of the Post Office is another, and signal instance, of the extent and necessity of implied powers. The whole authority of Congress over this subject is expressed in very few words; they are merely "to establish post offices and post roads." Under this short and general grant, laws of Congress have been extended to a great variety of very important enactments, without the specific grant of any power whatever, as any one may see who will look over the post office laws. In these laws, among other provisions, penalties are enacted against a great number of offences; thus deducing the highest exercise of criminal jurisdiction, by reasonable and necessary inference, from the general authority. But I forbear from traversing a field already so fully explored.

There are one or two other remarks, sir, in the gentleman's speech, which I must not entirely omit to notice.

In speaking of the beneficial effects of this measure, one, he says, would be, that "the weight of the banks would be taken from the side of the *tax-consumers*, where it has been, from the commencement of the Government, and placed on the side of the *tax-payers*. This great division of the community necessarily grows out of the fiscal action of the Government."

Sir, I utterly deny that there is the least foundation, in fact, for this distinction. It is an odious distinction, calculated to inspire envy and hatred; and being, as I think, wholly groundless, its suggestion, and the endeavor to maintain it, ought to be resisted, and repelled. We are all tax-payers, in the United States, who use articles on which imposts are laid; and who is there that is excused from this tax, or does not pay his proper part of it, according to his consumption? Certainly no one.

On the other hand, who are the tax-consumers? Clearly, the Army, the Navy, the laborers on public works, and other persons in Government employment. But even these are not idle consumers; they are agents of the Government and of the People. Pensioners may be considered as persons who enjoy benefit from the public taxes of the country, without rendering present service in return; but the legal provision for them stands on the ground of previous merits, which none deny. If we had a vast national debt, the annual interest of which was a charge upon the country, the holders of this debt might be considered as tax-consumers. But we have no such debt. If the distinction, therefore, which the gentleman states, exists any where, most certainly it does not exist here. And I cannot but exceedingly regret that sentiments and opinions should be expressed here, having so little foundation, and yet so well calculated to spread prejudice and dislike, far and wide, against the Government and institutions of the country.

But, sir, I have extended these remarks already to a length for which I find no justification but in my profound conviction of the importance of this crisis in our national affairs. We are, as it seems to me, about to rush madly from our proper spheres. We are to relinquish the performance of our own incumbent duties; to abandon the exercise of essential powers, confided by the Constitution to our hands, for the good of the country. This was my opinion in September—it is my opinion now. What we propose to do, and what we omit to do, are, in my judgment, likely to make a fearful, perhaps a fatal, inroad upon the unity of commerce between these States, as well as to embarrass and harass the employments of the People, and to prolong existing evils.

Sir, whatever we may think of it now, the Constitution had its immediate origin in the conviction of the necessity for this uniformity or identity, in commercial regulations.

The whole history of the country, of every year and every month, from the close of the war of the Revolution to 1789, proves this. Over whatever other interests it was made to extend, and whatever other blessings it now does, or hereafter may, confer on the millions of free citizens who

do or shall live under its protection; even though, in time to come, it should raise a pyramid of power and grandeur, whose apex should look down on the loftiest political structures of other nations and other ages, it will yet be true that it was itself the child of pressing commercial necessity. Unity and identity of commerce among all the States was its seminal principle. It had been found absolutely impossible to excite or foster enterprise in trade, under the influence of discordant and jarring State regulations. The country was losing all the advantages of its position. The Revolution itself was beginning to be regarded as a doubtful blessing. The ocean before us was a barren waste. No American canvass whitened its bosom—no keels of ours ploughed its waters. The journals of the Congress of the Confederation show the most constant, unceasing, unwearied, but always unsuccessful appeals to the States and the People, to renovate the system, to infuse into that Confederation at once a spirit of union and a spirit of activity, by conferring on Congress the power over trade. By nothing but the perception of its indispensable necessity —by nothing but their consciousness of suffering from its want, were the States and the People brought, and brought by slow degrees, to invest this power, in a permanent and competent Government.

Sir, hearken to the fervent language of the old Congress, in July, 1785, in a letter addressed to the States, prepared by Mr. Monroe, Mr. King, and other great names, now transferred from the lists of living men, to the records which carry down the fame of the distinguished dead. The proposition before them, the great objects to which they so solicitously endeavored to draw the attention of the States, was this, viz: that "the United States, in Congress assembled, should have the sole and exclusive right of regulating the trade of the States, as well with foreign nations as with each other." This, they say, is urged upon the States by every consideration of local as well as of federal policy; and they beseech them to agree to it, if they wish to promote the strength of the Union, and to connect it by the strongest ties of interest and affection. This was in July, 1785.

In the same spirit, and for the same end, was that most important resolution which was adopted in the House of Delegates of Virginia, on the 21st day of the following January. Sir, I read the resolution entire.

"*Resolved*, That Edmund Randolph, and others, be appointed commissioners, who, or any five of whom, shall meet such commissioners as may be appointed by the other States in the Union, at a time and place to be agreed on, to take into consideration the trade of the United States; to examine the relative situations and trade of the said States; to consider how far a uniform system in their commercial regulations may be necessary to their common interest and their permanent harmony, and to report to the several States such an act relative to this great object, as, when unanimously ratified by them, will enable the United States, in Congress assembled, effectually to provide for the same: that the said commissioners shall immediately transmit to the several States copies of the preceding resolution, with a circular letter requesting their concurrence therein, and proposing a time and place for the meeting aforesaid."

Here, sir, let us pause. Let us linger at the waters of this original fountain. Let us contemplate this, the first step, in that series of proceedings, so full of great events to us and to the world. Notwithstanding the embarrassment and distress of the country, the recommendation of the old Congress had not been complied with. Every attempt to bring the State Legislatures into any harmony of action, or any pursuit of a common object, had signally and disastrously failed. The exigency of the case called for a new movement; for a more direct and powerful attempt to bring the good sense and patriotism of the country into action upon the crisis. A solemn assembly was therefore proposed—a general convention of delegates from all the States. And now, sir, what was the exigency? What was this crisis? Look at the resolution itself; there is not an idea in it but trade. Commerce! commerce! is the beginning and end of it. The subject to be considered and examined was "the relative situation of the trade of the States;" and the object to be obtained was the "establishment of a uniform system in their commercial regulations, as necessary to the common interest and their permanent harmony." This is all. And, sir, by the adoption of this ever-memorable resolution, the House of Delegates of Virginia, on the 21st day of January, 1786, performed the first act in the train of measures which resulted in that Constitution, under the authority of which you now sit in that chair, and I have now the honor of addressing the members of this body.

Mr. President, I am a Northern man. I am attached to one of the States of the North, by the ties of birth and parentage, education, and the associations of early life; and by sincere gratitude for proofs of public confidence early bestowed. I am bound to another Northern State by adoption, by long residence, by all the cords of social and domestic life, and by an attachment and regard, springing from her manifestation of approbation and favor, which grapple me to her with hooks of steel. And yet, sir, with the same sincerity of respect, the same deep gratitude, the same reverence, and hearty good will, with which I would pay a similar tribute to either of these States, do I here acknowledge the Commonwealth of Virginia to be entitled to the honor of commencing the work of establishing this Constitution. The honor is hers; let her enjoy it; let her forever wear it proudly; there is not a brighter jewel in the tiara that adorns her brow. Let this resolution stand, illustrating her records, and blazoning her name through all time!

The meeting, sir, proposed by the resolution was holden. It took place, as all know, in Annapolis, in May of the same year; but it was thinly attended, and its members, very wisely, adopted measures to bring about a fuller and more general convention. Their letter to the States on this occasion is full of instruction. It shows their sense of the unfortunate condi-

tion of the country. In their meditations on the subject, they saw the extent to which the commercial power must necessarily extend. The sagacity of New Jersey had led her, in agreeing to the original proposition of Virginia, to enlarge the object of the appointment of commissioners, so as to embrace not only commercial regulations, *but other important matters.* This suggestion the commissioners adopted, because they thought, as they inform us, "that the power of regulating trade is of such comprehensive extent, and will enter so far into the general system of the Federal Government, that to give it efficacy, and to obviate questions and doubts concerning its precise nature and limits, might require a correspondent adjustment of other parts of the Federal system." Here you see, sir, that other powers, such as are now in the Constitution, were expected to branch out of the necessary commercial power; and, therefore, the letter of the commissioners concludes with recommending a general convention, "to take into consideration the *whole situation of the United States,* and to devise such further provisions as should appear necessary to render the Constitution of the Federal Government adequate to the exigencies of the Union."

The result of that convention was the present Constitution. And yet, in the midst of all this flood of light, respecting its original objects and purposes, and with all the adequate powers which it confers, we abandon the commerce of the country, we betray its interests, we turn ourselves away from its most crying necessities. Sir, it will be a fact, stamped in deep and dark lines upon our annals; it will be a truth, which in all time can never be denied or evaded, that if this Constitution shall not, now and hereafter, be so administered as to maintain a uniform system in all matters of trade; if it shall not protect and regulate the commerce of the country, in all its great interests, in its foreign intercourse, in its domestic intercourse, in its navigation, in its currency, in every thing which fairly belongs to the whole idea of commerce, either as an end, an agent, or an instrument, then that Constitution will have failed, utterly failed to accomplish the precise, distinct, original object, in which it had its being.

In matters of trade, we were no longer to be Georgians, Virginians, Pennsylvanians, or Massachusetts men. We were to have but one commerce, and that the commerce of the United States. There were not to be separate flags, waving over separate commercial systems. There was to be one flag, the E PLURIBUS UNUM; and toward that was to be that rally of united interests and affections, which our fathers had so earnestly invoked.

Mr. President, this unity of commercial regulation is, in my opinion, indispensable to the safety of the union of the States themselves. In peace it is its strongest tie. I care not, sir, on what side, or in which of its branches, it may be attacked. Every successful attack upon it, made anywhere, weakens the whole, and renders the next assault easier and more dangerous. Any denial of its just power is an attack upon it. We attack it, most fiercely attack it, whenever we say we will not exercise the powers which it enjoins. If the Court had yielded to the pretensions of respectable States upon the subject of steam navigation, and to the retaliatory proceedings of other States; if retreat and excuse, and disavowal of power had been prevailing sentiments then, in what condition, at this moment, let me ask, would the steam navigation of the country be found? To us, sir, to us, his countrymen, to us, who feel so much admiration for his genius, and so much gratitude for his services, Fulton would have lived almost in vain. State grants and State exclusions would have covered over all our waters.

Sir, it is in the nature of such things, that the first violation, or the first departure from true principles, draws more important violations or departures after it; and the first surrender of just authority will be followed by others more to be deplored. If commerce be a unit, to break it in any one part, is to decree its ultimate dismemberment in all. If there be made a first chasm, though it be small, through that the whole wild ocean will pour in, and we may then throw up embankments in vain.

Sir, the spirit of union is particularly liable to temptation and seduction, in moments of peace and prosperity. In war, this spirit is strengthened by a sense of common danger, and by a thousand recollections of ancient efforts and ancient glory in a common cause. In the calms of a long peace, and the absence of all apparent causes of alarm, things near gain an ascendency over things remote. Local interests and feelings overshadow national sentiments. Our attention, our regard, and our attachment, are every moment solicited to what touches us closest, and we feel less and less the attraction of a distant orb. Such tendencies, we are bound by true patriotism, and by our love of union, to resist. This is our duty; and the moment, in my judgment, has arrived when that duty is summoned to action. We hear, every day, sentiments and arguments, which would become a meeting of envoys, employed by separate Governments, more than they become the common Legislature of a united country. Constant appeals are made to local interests, to geographical distinctions, and to the policy and the pride of particular States. It would sometimes appear that it was, or as if it were, a settled purpose to convince the People that our Union is nothing but a jumble of different and discordant interests, which must, ere long, be all returned to their original state of separate existence; as if, therefore, it was of no great value while it should last, and was not likely to last long. The process of disintegration begins, by urging the fact of different interests.

Sir, is not the end obvious, to which all this leads us? Who does not see that, if convictions of this kind take possession of the public mind, our Union can hereafter be nothing, while it remains, but a connexion without harmony; a bond without affection; a theatre for the angry contests of local feelings, local objects, and local jealousies? Even while it continues to exist, in name, it may, by these means, become nothing but the mere form of a united Government. My children, and the children of those who sit around me, may meet, perhaps, in this Chamber,

in the next generation; but if tendencies, now but too obvious, be not checked, they will meet as strangers and aliens. They will feel no sense of common interest or common country: they will cherish no common object of patriotic love. If the same Saxon language shall fall from their lips, it may be the chief proof that they belong to the same nation. Its vital principle exhausted and gone, its power of doing good terminated, now productive only of strife and contention, and no longer sustained by a sense of common interest, the Union itself must ultimately fall, dishonored and unlamented.

The honorable member from Carolina himself, habitually indulges in charges of usurpation and oppression against the Government of his country. He daily denounces its important measures, in the language in which our Revolutionary fathers spoke of the oppressions of the mother country. Not m rely against Executive usurpation, either real or supposed, does he utter these sentiments, but against laws of Congress, laws passed by large majorities, laws sanctioned, for a course of years, by the People. These laws he proclaims, every hour, to be but a series of acts of oppression. He speaks of them as if it were an admitted fact, that such is their true character. This is the language which he utters, these the sentiments he expresses, to the rising generation around him. Are they sentiments and language which are likely to inspire our children with the love of union, to enlarge their patriotism, or to teach them, and to make them feel, that their destiny has made them common citizens of one great and glorious republic? A principal object, in his late political movements, the gentleman himself tells us, was to *unite the entire South;* and against whom, or against what, does he wish to unite the entire South? Is not this the very essence of local feeling and local regard? Is it not the acknowledgment of a wish and object, to create political strength, by uniting political opinions geographically? While the gentleman thus wishes to unite the entire South, I pray to know, sir, if he expects me to turn toward the polar-star, and, acting on the same principle, to utter a cry of Rally! to the whole North? Heaven forbid! To the day of my death, neither he nor others shall hear such a cry from me.

Finally, the honorable member declares that he shall now march off, under the banner of State Rights! March off from whom? March off from what? We have been contending for great principles. We have been struggling to maintain the liberty and to restore the prosperity of the country; we have made these struggles here, in the national councils, with the old flag, the true American flag, the Eagle, and the Stars and Stripes, waving over the Chamber in which we sit. He now tells us, however, that he marches off under the State-rights banner!

Let him go. I remain. I am, where I ever have been, and ever mean to be. Here, standing on the platform of the general Constitution—a platform, broad enough, and firm enough, to uphold every interest of the whole country—I shall still be found. Intrusted with some part in the administration of that Constitution, I intend to act in its spirit, and in the spirit of those who framed it. Yes, sir, I would act as if our fathers, who formed it for us, and who bequeathed it to us, were looking on me—as if I could see their venerable forms, bending down to behold us, from the abodes above. I would act, too, as if the eye of posterity was gazing on me.

Standing thus, as in the full gaze of our ancestors, and our posterity, having received this inheritance from the former, to be transmitted to the latter, and feeling, that if I am born for any good, in my day and generation, it is for the good of the whole country, no local policy, or local feeling, no temporary impulse, shall induce me to yield my foothold on the Constitution and the Union. I move off, under no banner, not known to the whole American People, and to their Constitution and laws. No, sir, these walls, these columns

"fly
From their firm base as soon as I."

I came into public life, sir, in the service of the United States. On that broad altar, my earliest, and all my public vows, have been made. I propose to serve no other master. So far as depends on any agency of mine, they shall continue united States; united in interest and in affection; united in every thing in regard to which the Constitution has decreed their union; united in war, for the common defence, the common renown, and the common glory; and united, compacted, knit firmly together in peace, for the common prosperity and happiness of ourselves and our children.